

Civil War veterans and their widows; to the Committee on Invalid Pensions.

311. Also, petition of the McFadden Publications, New York City, opposing any change in the present definition of newspaper and the imposition of any tariff on this class of paper; to the Committee on Ways and Means.

312. Also, petition of the Legislature of the State of California, opposing any legislation that would modify the present immigration laws relating to the exclusion of Asiatic laborers; to the Committee on Immigration and Naturalization.

313. By Mr. PALMER: Petition of the Samuel K. Crawford Camp, No. 21, United States Spanish War Veterans, of Sedalia, Mo., urging Congress of the United States for the passage of legislation more favorable to the former Spanish-American War soldiers; to the Committee on Pensions.

314. By Mr. SELVIG: Petition of secretary of Minnesota Holstein-Friesian Breeders' Association, in behalf of all members and county associations of that organization, urging support of oleomargarine bill (H. R. 6) and passage by Congress; also favoring a fair and just tariff rate on Philippine coconut products; to the Committee on Agriculture.

315. Also, petition of Twin Ports Cooperative Dairy Association, of Superior, Wis., favoring increased tariff duties on all dairy products, imported animal, marine, and vegetable oils and fats; to the Committee on Ways and Means.

316. Also, petition of Evangelical Lutheran Red River Valley Conference, April 19, 1929, urging Members of Congress to vote for the immediate repeal of the national-origins plan; to the Committee on Immigration and Naturalization.

317. Also, petition of Twin Ports Cooperative Dairy Association, of Superior, Wis., urging equitable tariff protection on oils and fats; also increase in tariff on all agricultural imports; to the Committee on Ways and Means.

318. Also, petition of Minnesota Live Stock Breeders' Association, urging support for oleomargarine bill (H. R. 6) and passage in this session of Congress; to the Committee on Agriculture.

SENATE

SATURDAY, May 4, 1929

(Legislative day of Monday, April 29, 1929)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. WATSON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Allen	Fletcher	Keyes	Schall
Barkley	Frazier	King	Sheppard
Bingham	George	La Follette	Shortridge
Black	Gillett	McKellar	Simmons
Blaine	Glass	McMaster	Smith
Blease	Glenn	McNary	Smoot
Borah	Goff	Metcalf	Stetwer
Bratton	Greene	Moses	Thomas, Idaho
Brookhart	Hale	Norbeck	Thomas, Okla.
Broussard	Harris	Norris	Townsend
Burton	Harrison	Nye	Trammell
Capper	Hastings	Oddie	Tydings
Caraway	Hatfield	Overman	Tyson
Connally	Hayden	Patterson	Vandenberg
Couzens	Hebert	Phipps	Walcott
Dale	Heflin	Ransdell	Walsh, Mont.
Deneen	Howell	Reed	Warren
Dill	Johnson	Robinson, Ark.	Waterman
Edge	Jones	Robinson, Ind.	Watson
Fess	Kean	Sackett	Wheeler

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram, in the nature of a petition, signed by E. H. Retting, of Seattle, Wash., praying for the prompt passage of the House farm relief bill, which was ordered to lie on the table.

He also laid before the Senate resolutions adopted by Chauffeurs' Local Union No. 265, Asphalt Pavers' Local Union No. 84, Bakery Wagon Drivers' and Salesmen's Local Union No. 484, and the Lafayette Club, all of San Francisco, Calif., favoring a reduction of 50 per cent in the Federal tax on earned incomes, which were referred to the Committee on Finance.

Mr. BURTON presented petitions of sundry citizens of the State of Ohio, praying for the passage of farm relief legislation, which were ordered to lie on the table.

He also presented petitions of sundry citizens—growers and packers of leaf tobacco—of the State of Ohio, praying for a

reduction in the rate of duty on Sumatra wrapper, which were referred to the Committee on Finance.

He also presented a petition of sundry citizens of the State of Michigan, praying for the repeal of the national-origins provision of the existing immigration law, which was referred to the Committee on Immigration.

He also presented petitions of sundry citizens of the State of Ohio, praying for the passage of House bill 11, the so-called Kelly fair trade bill, which were referred to the Committee on Interstate Commerce.

Mr. BLAINE presented a resolution adopted by the Trades and Labor Council of La Crosse, Wis., favoring the passage of legislation granting increased pensions to Civil War veterans and their widows and also to Spanish War veterans, which was referred to the Committee on Pensions.

He also presented a resolution adopted by the City Council of Minneapolis, Minn., favoring the making of provision for the Mid West, and especially the Northwest, of a deep-water outlet to tidewater as contemplated by the act of Congress approved January 21, 1927, which was referred to the Committee on Commerce.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LA FOLLETTE:

A bill (S. 956) granting a pension to Hattie Marshall; to the Committee on Pensions.

By Mr. ROBINSON of Indiana:

A bill (S. 957) granting an increase of pension to Fannie Loomis; and

A bill (S. 958) granting increase of pensions under the general law to soldiers and sailors of the Regular Army and Navy and their dependents, for disability incurred in service in line of duty, and authorizing that the records of the War and Navy Departments be accepted as to incurrence of a disability in service in line of duty; to the Committee on Pensions.

By Mr. THOMAS of Oklahoma:

A bill (S. 959) for the relief of William Smith; to the Committee on Military Affairs.

A bill (S. 960) for the relief of Blanche E. Little, individually and as assignee of Alice T. Johnson and Andrew W. Little; to the Committee on Claims.

A bill (S. 961) granting a pension to Hanora C. Fritz (with accompanying papers); to the Committee on Pensions.

By Mr. TYDINGS:

A bill (S. 962) to amend and reenact subdivision (a) of section 209 of the transportation act, 1920; to the Committee on Interstate Commerce.

By Mr. DENEEN:

A bill (S. 963) granting an increase of pension to Sarah E. Harkleroad; to the Committee on Pensions.

A bill (S. 964) for the relief of Maj. H. E. Miner, Capt. A. J. Touart, Capt. J. L. Hayden, Capt. H. H. Pohl, First Lieut. C. C. Jadwin, and First Lieut. F. B. Kane, United States Army; to the Committee on Claims.

By Mr. BROOKHART:

A bill (S. 965) to amend the Federal reserve act, as amended, with respect to venue of civil suits against Federal reserve banks; to the Committee on Banking and Currency.

INTERNATIONAL PAPER & POWER CO.

Mr. WALSH of Montana. Mr. President, I send to the desk a resolution, which I ask may be read, and then I shall ask unanimous consent for its present consideration.

The VICE PRESIDENT. The clerk will read the resolution. The legislative clerk read the resolution (S. Res. 53), as follows:

Whereas it appears from testimony taken by the Federal Trade Commission under and by virtue of Senate Resolution 83, Seventieth Congress, first session, that the International Paper & Power Co. and its affiliated concerns is the owner of stock in the Boston Herald and Traveler, published at Boston, Mass.; the Chicago Daily News, published at Chicago, Ill.; the Chicago Journal, published at Chicago, Ill.; the Tampa Tribune, published at Tampa, Fla.; the Greensboro Record, published at Greensboro, N. C.; the Knickerbocker Press, published at Albany, N. Y.; the Albany Evening News, published at Albany, N. Y.; the Brooklyn Eagle, published at Brooklyn, N. Y.; the Augusta Chronicle, published at Augusta, Ga.; the Columbia Record, published at Columbia, S. C.; the Spartanburg Herald Journal, published at Spartanburg, S. C.; and possibly other interests in other journals; Therefore be it

Resolved, That the Postmaster General is hereby directed to transmit to the Senate for its information a copy of the statement filed by the editor, publisher, business manager, or owner of each of the newspapers

above enumerated, setting forth the names and post-office addresses of the editor and managing editor, publisher, business manager, and owners and the stockholders if the publication be owned by a corporation, and also the names of the known bondholders, mortgagees, or other security holders, as required by the act of Congress approved August 24, 1912.

Mr. WALSH of Montana. I ask unanimous consent for the present consideration of the resolution.

Mr. WATSON. Mr. President, I would like to ask the Senator what is his object?

Mr. WALSH of Montana. The object is to ascertain whether it may not be necessary to amend the statute referred to.

Mr. WATSON. Does the Senator intend some sort of investigation about it?

Mr. WALSH of Montana. I have not any idea of that at the present time.

Mr. WATSON. I would like to examine the resolution. I think it had better go over.

The VICE PRESIDENT. The resolution will go over under the rule.

REIMBURSEMENT OF EXPENSES TO WILLIAM S. VARE

Mr. SHORTRIDGE. By direction of the Committee on Privileges and Elections I report a resolution and ask that it be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

The resolution (S. Res. 54) was referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1928, to WILLIAM S. VARE \$15,007.38 for reimbursement for expenses incurred in collecting and impounding ballot boxes ordered by the Senate in 61 counties of Pennsylvania, as evidenced by vouchers from United States marshals in possession of the Committee on Privileges and Elections, authorized by resolution of December 17, 1927, to hear and determine the contest between William B. Wilson and the said WILLIAM S. VARE for membership in the United States Senate.

CHANGE OF REFERENCE

On motion of Mr. HALE, the Committee on Naval Affairs was discharged from the further consideration of the joint resolution (H. J. Res. 61) to amend the appropriation "Organizing the Naval Reserve, 1930," and it was referred to the Committee on Appropriations.

THE AMERICAN MERCHANT MARINE—ADDRESS BY SENATOR FLETCHER

Mr. McKELLAR. Mr. President, some time ago Senator FLETCHER, of Florida, made a notable address on the American merchant marine before the Woman's National Democratic Club. It is a splendid presentation of this great question, which ought to be read by every patriotic citizen. I commend it to the Senate and to the country, and ask unanimous consent that it may be published in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

THE AMERICAN MERCHANT MARINE

[Outline of address before the Woman's National Democratic Club, by Senator DUNCAN U. FLETCHER]

Madam President and ladies, you have invited me to speak on the subject of an American merchant marine. Within the limits of your accustomed time I hope to be able to mention some of the important factors and phases involved.

At the outset I am going to assume that you agree the United States ought to have a merchant marine carrying our flag in foreign trade sufficient to transport a goodly amount of our commerce. There are some people who, influenced by selfish motives or by foreign propaganda, hold that it would be just as well if we depended upon our competitors in foreign markets to deliver our goods. Their claim is maritime nations abroad have been longer in the business, know more about ships and shipping, have better trained mariners and more experienced seamen than this young country, and we had better devote our capital and energies to other matters. They lose sight of the real effect and meaning of that course.

They do not grasp the compelling reasons which prompted Congress in the act of 1916, the merchant marine act of 1920, and again in 1928, to declare, repeat, and emphasize our national policy to be to establish and maintain an adequate merchant marine to serve our commerce in time of peace and as a means of national defense in time of need. I will not argue the point.

Let us grant that an overwhelming majority of the American people are convinced of the wisdom and soundness of that policy. The only question then is, How shall we "establish and maintain" such a merchant marine? This raises the controversial question. There are just three courses open to us.

1. Have the Government own and operate merchant ships in foreign trade adequate in quantity and quality.

2. Have the Government retire entirely from the business and pass the ships into private hands on whatever terms that may be offered.

3. Have the Government continue to own and operate a few ships on least profitable routes, opening up new channels of trade, developing new markets, replacing and maintaining the ships and services, even though money is lost in the operation, but the greater portion of the ships in overseas trade to be owned and operated by American citizens or corporations, all competition between the Government-owned and privately owned ships to be avoided.

I favor the first course and method, because I know the one certain way of establishing and maintaining such an adequate American merchant marine is by having the Government own and operate the ships. We would have behind it ample capital. We would have as fine seamen, officers, and crews as could be found in the world. We would build the best ships for the services required. We have, or can get, just as honest, capable, skillful men as are produced to conduct the business. There would be no danger of being driven off the seas by unfair competition or sinister combinations. We would have the power to make the enterprise a permanent, unbounded success.

I contend that the hope of the American overseas merchant marine lies with the United States Shipping Board and not with the private American shipowner, and this is sound and capable of demonstration. That is one sure, definite, certain way we can have what this country requires. Congress has never failed to make the necessary appropriation to carry into effect the policy they have repeatedly announced. The fact is, Congress appropriated \$12,000,000 for the purpose of reconditioning the *Agamemnon* and *Mount Vernon* in order that they might be added to and round out the United States Line—our only trans-Atlantic passenger line. The administration refused to allow that done.

As the next alternative I would favor the third course. I think it would be inexcusable folly for the Government to part with all its merchant ships. We should keep at least some of them not only to protect our people from exorbitant rates and assure our ports and communities of some of the service they need, but the war demonstrated clearly that in time of trouble merchant ships are just as essential as battleships, cruisers, and floating batteries. They are required as supply ships for the Navy. They bring food to the population. They carry the things the Army as well as the Navy must have. We spend hundreds of millions on the Navy; all outgo, no return. The merchant ships are just as important and they yield revenue; they are a necessary part of provision for national defense.

The second method is the least desirable and, in my judgment, is likely to lead in a few years to disaster. Giving credit for good faith on the part of all those who advocate that course, I have for years thought, and still think, they are mistaken. However, the administration—the last two, and the present one, I believe—has insisted upon that course.

You will say that while Congress authorized the Shipping Board to dispose of ships it did so with certain limitations. They were to sell as a solvent, going concern (not as one bankrupt or obliged to sell), and only in accomplishing the expressed primary purpose of Congress to establish and maintain an adequate American merchant marine.

Did they obey the law; and if not, why not? The President, you will remember, has the power to remove any officer he may appoint, notwithstanding he may be appointed and confirmed for a definite term. Honorable men have been appointed to the Shipping Board. A majority of them like the job and would not care to be dismissed. Consequently, when the President tells them to get out of business and dispose of the ships speedily and regardless of price or terms—what are they likely to do? They proceed, under direction of the power superior to them, to hurry with the disposition of the ships—as if that was the primary object of the Congress.

The proceeds of Liberty bonds to the amount of approximately \$4,000,000,000 went into shipyards and ships. We had, owned by the Government, some 10,000,000 tons. We need from six to eight million tons to carry 60 per cent of our commerce. The Shipping Board advertised and offered for sale the ships, right and left. They sold 200 or more to Ford for scrapping. They practically gave away the wooden and concrete ships. They offered them at half, then quarter, then one-tenth of their cost.

Their claim was the Government was losing money—first \$50,000,000, then \$30,000,000, then \$17,000,000 each year in the operation of the ships. They shouted this failure from the housetops, at the same time they were inviting people to buy this burdensome property. They made no genuine effort to have the Government succeed in the business. There was a time when a bona fide endeavor was made to conduct the venture in a businesslike way for a few years just after the war, and the Government cleared some \$170,000,000.

To illustrate what this policy led to—dozens and dozens of similar transactions could be cited—four or five years ago the Shipping Board owned and the Fleet Corporation operated a ship we had seized during the war and used in the transport service and afterwards reconditioned. She cost to build in Germany \$1,600,000. The Shipping Board spent on her \$2,000,000 and put her in the service between

Los Angeles and the west coast of South America. She was losing money, it was claimed. They offered her for sale. After spending \$43,000 for hotel supplies placed on her they advertised her and sold her for \$100,000. She is the *City of Los Angeles*, running between Los Angeles and Hawaii.

The Shipping Board owned seven fine combination passenger and cargo ships, known as the President ships. They were new and had cost about \$30,000,000. They were sold for \$4,500,000, the purchasers having five years in which to pay for them. The guaranty to operate them as American ships for five years in the "round-the-world" trade is now about up. The owner can put them in the coastwise or intra-coastal trade if he likes. This is the way that policy has worked. The property of the people is getting into private hands by this process.

The most recent sale of major consequence was the sale of the United States Line and the American Merchant Line. The former was the only passenger line owned and operated directly by the Shipping Board and Fleet Corporation. It was composed of the premier ship, the queen of the ocean, the finest vessel afloat—the *Leviathan*—the *George Washington*, *President Harding*, the *America*, the *Republic*, and *President Roosevelt*. You know the *Leviathan* was the *Vaterland*. We spent over \$10,000,000 reconditioning her. In the same way we spent \$2,800,000 on the *George Washington* and \$4,470,000 on the *Republic*.

This superb passenger line was actually showing a profit. We should have added two first-class ships and had weekly sailings from New York. The line would have shed luster on the United States and shown us to the world as a maritime nation. Instead we sold these six splendid vessels, good will and all—passed them to private hands. They were appraised by the Navy Department board at \$41,324,540. At the same time, and to the same purchasers, the Shipping Board sold the five class B boats, comprising the American Merchant Line, operated through Winchester & Co. as operating agents. These were cargo carriers and had accommodations for some 70 passengers as well. They, too, were in the trans-Atlantic service out of New York. They were appraised by the Navy Department board at \$18,565,355, making a total valuation placed on the two lines—11 ships—\$59,889,895. They brought \$16,000,000.

There were certain guaranties which rather redeemed this transaction from reckless sacrifice, to wit, the purchasers must operate them in these services for 10 years instead of 5, as heretofore specified, and they must keep the ships up, replace and repair them, and add two first-class ships to the passenger line. They are entitled to borrow from the Shipping Board 75 per cent of the cost of the new ships at Government rates of interest. The Shipping Board unanimously recommended acceptance of this bid, so far as the price and advisability of the sale were concerned. I have great confidence in the members of the present Shipping Board, and for that reason contented myself with stating my opposition to the sale and the reasons therefor to the Committee on Commerce.

Let us see what has been the result of six to eight years of frantic efforts to get out of business and dispose of ships. Has that policy actually resulted in building up, enlarging, expanding, and developing our merchant marine? Here is a summary of the employment of American steam and motor merchant vessels of 1,000 gross tons and over January 1, 1929, issued by the Shipping Board. Of course, it does not include lake and river tonnage, and in all I have said bear in mind I am referring to merchant marine in foreign or overseas trade. I have not intended to refer to our coastwise or intercoastal shipping. That, of course, is all American and in splendid condition. No foreign vessel can engage in that business. Americans have a monopoly in that field. Our merchant marine in coastwise and intercoastal business is a credit to the country.

This statement shows that we have in near-by foreign trade, such as with Canada, Mexico, Central America, West Indies, and north coast of South America, privately owned, 865,006 long tons, and in overseas foreign trade, privately owned, 1,493,897 long tons. In other words, we have now, after a campaign of six to eight years to induce private capital to take over our ships and get into the business seriously, offering the ships at about 10 to 25 per cent of their cost and on terms named by purchasers, only about a half million tons in private ownership more than we had in 1914, when we were carrying only about 10 per cent of our overseas commerce in American bottoms. There are to-day 26,000,000 gross tons employed in the transportation of the foreign commerce of the United States; 5,760 ships are engaged in that business. They average five round voyages each per annum; of these, 1,675 are American-flag vessels, carrying less than 30 per cent of our commerce. This commerce amounts to 113,000,000 long tons, valued at over \$8,000,000,000. Our freight bill annually is about \$730,000,000—a prize, in itself, worth struggling for.

In spite of the inducements offered, the opportunities to acquire ships at nominal cost and other encouragement afforded American capital, private enterprise refuses to take hold and assure the establishment and maintenance of an adequate American merchant marine in overseas trade. We produce an enormous surplus from farms and factories which must find markets abroad. In the absence of carriers of our own, we can not hope to successfully meet competition in those markets. It is said the power to tax is the power to destroy. It is just as true that

the power to fix the cost of transportation is the power to make or mar commerce.

Let us see further about the actual situation after all these years of effort to discredit Government ownership and operation, after all the sacrifices made, and all the persuasion and inducements offered private undertakings—we find the Government still owns and operates in near-by foreign trade 24,072 gross tons and in overseas foreign trade 1,617,467 gross tons. More than half of our tonnage in overseas trade is Government owned.

According to these figures both in near-by and overseas trade there are to-day under the American flag, privately owned and Government owned, only a total of 3,996,442 gross tons. We ought to have about 8,000,000 tons. In laid-up vessels the Government has 2,213,662 gross tons. It seems to me demonstrated that American investors are timid and not sufficiently interested to put their money and energy in shipping.

Shall we then be dependent upon our competitors in trade to deliver our goods and bring to us the things we need? Shall we neglect the matter of national defense by abandoning all naval auxiliaries? That a great and profitable business can be built up in shipping is shown by the handsome dividends the well-managed lines earn annually.

I say if private enterprise will not do the job, there is nothing left but the Government to do it, in the public interest. We manage our Post Office Department very well. We even conduct a savings department satisfactorily. We do a parcel-post business quite satisfactorily. During the war, when insurance companies refused to insure our hulls and cargoes, the Government organized and conducted the War Risk Insurance Bureau, without materially raising rates, and made a profit of some \$17,000,000. Now underwriters are discriminating against American vessels and in favor of foreign vessels, and if necessary to protect American shipping I would have the Government reestablish that insurance business. There is no excuse for that discrimination.

We have as competent, courageous, and faithful officers and crews on our vessels as can be found on the seas.

It was an American vessel, officers, and men that saved the people who were dumped in the sea when the *Vestris* went down.

What a record is there made—foreign officers and crew—as to seamanship, capacity, and efficiency:

Lost (27) 77 per cent of the women on board, (21) 100 per cent of the children on board, (64) 54 per cent of the men on board, 12 per cent of the crew.

Yet American vessels are penalized by insurance companies, presumably because the foreign ships are supposed to have more experienced and capable officers and seamen. The Government operates a freight barge line on the Mississippi and Black Warrior successfully, and Congress backs it up. The Panama Line is successfully operated. Before it was established by the Government foreign ships carried our commerce to Central America, Panama, and the west coast of South America, and our shippers paid the same freight from American ports as was paid from Liverpool or Bremen, 3,000 miles farther haul. Canada owns and operates, with gratifying results, her merchant marine.

For my part I would be willing to go to the country in a national election on this issue. The people would be aroused now if they realized what was going on and what the prospects are. They do not know. The means of getting the information to them is lacking. Why? Foreign influences, foreign capital, foreign interests are bitterly opposed to this Government owning and operating merchant ships. The reasons are obvious.

They have flooded the country with propaganda directed against that course. By their advertisements they silence the press. We have come to the point where the people only get to a large extent information through the press that those in authority, or those controlled by the money power, want them to have. Everything is being standardized. Once or twice a week 40 to 50 newspaper correspondents representing the press of the country call on the Secretary of State, and he gives them his statement concerning foreign affairs.

Twice a week the President sees the same crowd and makes his statement, setting forth his viewpoint concerning domestic affairs. If some curious reporter asks questions they are ignored or not, as the President chooses. All information is broadcast in this way—thoroughly standardized. People are having their thinking standardized for them. There is very little original thinking indulged in any more. The art of thinking seems to be vanishing and coming more and more circumscribed. Here is an illustration on this point—what we may call "the freedom of the press":

An editor of a certain journal, well informed on this merchant-marine subject, states to this effect in a letter to me:

"Your contention I believe to be sound and capable of demonstration. . . . I am a dyed-in-the-wool Republican, but in this matter of getting the Government out of the shipping business, the President, whom I greatly admire for his sterling ability and character, is all wrong."

But, note this; he says: "This paper can not afford to say all that I have written to you here, because our advertisers object, and if we publish such views we lose both advertisers and subscribers." There you have, frankly, the truth.

If the public only knew all the facts and what is going on, we would have an enlightened and aroused opinion that might save and preserve our vitally needed merchant marine. The prospect, otherwise, is decidedly gloomy, if not hopeless. To the average person the merchant marine seems a sort of specialized subject of remote interest. There is no question which more closely touches and more vitally concerns all the people. Transportation on the high seas directly or indirectly affects us all, just as transportation within our borders does.

We will lose our status as a sea power, sacrifice our highest interests, and become a weakling in foreign trade unless we shake off that conception illustrated by the story of the man who, with his son, was taking a trip across the ocean. A terrible storm came up, and the son rushed to his father's stateroom and found him comfortably sleeping.

Seeking to arouse him, he told him the waves were sweeping the bow and the wind was a hurricane, and he must get up, get on his clothes and a life belt. He went away to get what information he could about the prospects, but, anxious about his father, soon returned to find him in bed and indifferent. He pounded on the door and exclaimed that it looked like the ship was going down, the storm was increasing in fury, and that he must get up; that the ship was about to be overwhelmed. The father finally responded, saying, "Vell, vat do ve care—we don't own her."

Bear in mind, please, that the amount of subvention the Government will pay to private owners will amount to more than twice the losses or deficit the Government would suffer from Government operation. You will ask, "Where lies the advantage in that?"

You will consider, too, that the losses or deficit, if any, would not equal 10 per cent of the benefits to American producers, manufacturers, and shippers afforded by a Government-owned and properly operated merchant marine.

FARM RELIEF

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1) to establish a Federal farm board to aid in the orderly marketing, and in the control and disposition of the surplus, of agricultural commodities in interstate and foreign commerce.

Mr. TRAMMELL. Mr. President, I send to the desk for incorporation in the RECORD certain telegrams from fruit growers of Florida in opposition to the elimination from the pending farm relief measure of fresh fruits and vegetables.

There being no objection, the telegrams were ordered to lie on the table and to be printed in the RECORD, as follows:

WEBSTER, FLA., May 3, 1929.

Senator PARK TRAMMELL,
Washington, D. C.:

Producers of fruit and vegetables need farm relief more than some other commodities groups. We are surprised at amendment to McNary farm bill which deprives us of such benefits and urgently request defeat in this amendment, or any other which may be offered to prevent our growers from getting fullest benefits such legislation.

SUMTER COUNTY GROWERS' ASSOCIATION.

FORT PIERCE, FLA., May 3, 1929.

Hon. PARK TRAMMELL,
Senate Office Building, Washington, D. C.:

This organization to a man, representing over 100 vegetable growers, insist that you should not be misled into believing that the majority of fruit and vegetable growers in this vast agricultural State do not want or need farm relief. We need it worse than some other groups of farm producers. Please defeat the amendment to farm bill which cuts fruit and vegetables from participation.

INDIAN RIVER VEGETABLE GROWERS (INC.).

MIAMI, FLA., May 3, 1929.

Hon. PARK TRAMMELL,
Washington, D. C.:

The amendment to Senate farm relief bill excluding fruit and vegetable growers from benefits farm relief is evidently advocated by interests unfriendly to this important group of producers. We want relief and respectfully urge that producers of fruits and vegetables be given all benefits of this special relief legislation.

FLORIDA GROWERS MARKETING ASSOCIATION.

WINTERHAVEN, FLA., May 3, 1929.

Hon. PARK TRAMMELL,
Senate Office Building, Washington, D. C.:

Understand McNARY offered amendment farm bill excluding fruits and vegetables from benefit farm bill. Please advise status and use your efforts obtain for fruit and vegetable growers complete benefit relief legislation.

FLORIDA UNITED GROWERS (INC.),
JOE C. JENKINS, Winterhaven, Fla.

NEW ORLEANS, LA., May 3, 1929.

Hon. PARK TRAMMELL,
Senator, United States Senate, Washington, D. C.:

Sincerely trust you will oppose Senator McNARY's amendment to farm relief bill striking out fruit and vegetable growers, who represent a vast proportion of our southern farmers and whose welfare contributes very materially to the South's prosperity. They are as much entitled to relief as the growers of grain or any other staple commodity.

F. W. REIMERS,
President Southern Pine Association.

FORT MYERS, FLA., May 3, 1929.

Hon. PARK TRAMMELL,
Senate Chamber, Washington, D. C.:

Fruit and vegetable growers of south Florida consider it vitally necessary that participation of fruits and vegetables be reinstated in provisions of farm relief bill with all privileges and benefits with restrictions.

LEE COUNTY COOPERATIVE GROWERS.

WINTERHAVEN, FLA., May 3, 1929.

Senator PARK TRAMMELL,
Washington, D. C.:

In representing large number growers whose tonnage handled by us cooperatively we ask full reinstatement fruits and vegetables to receive all benefits all provisions farm relief bill. To deny one group of benefits granted other group most unfair discrimination.

FLORIDA UNITED GROWERS (INC.).

BRADENTON, FLA., May 3, 1929.

United States Senator PARK TRAMMELL,
Washington, D. C.:

Fruit and vegetable growers certainly entitled to same benefits as producers any other commodities. Being sales manager handling over 3,000 cars for cooperative associations, urge complete reinstatement of fruit and vegetables to fully participate all benefits of farm relief. Frankly, we need relief more than some other commodities. Why pick on us?

C. W. GARNER.

BRADENTON, FLA., May 3, 1929.

Senator PARK TRAMMELL,
Washington, D. C.:

Our cooperative association, comprised of 400 vegetable growers, believe its members entitled to same benefits as producers of other commodities. We urge complete reinstatement of fruits and vegetables to full participation in all provisions farm relief bill.

MANATEE COUNTY GROWERS ASSOCIATION,
H. T. BENNETT, Secretary-Treasurer.

WAUCHULA, FLA., May 3, 1929.

Senator PARK TRAMMELL,
Washington, D. C.:

Fruit and vegetable growers beg and want freedom from bondage to speculative interests which have benefited by helplessness of producers. We want credits and all benefits of farm relief bill and urge you to kill any amendment which shuts us out by excluding fruits and vegetables from such benefits.

HARDEE COUNTY GROWERS (INC.).

JACKSONVILLE, FLA., May 3, 1929.

United States Senator PARK TRAMMELL,
Washington, D. C.:

This association, comprising the wholesale fruit and produce houses in Jacksonville, urge your influence eliminating fresh fruits and vegetables in Senate bill. Their perishability requires highly intricate marketing system, and disturbance thereof will cause hardship instead of relief. Also suggest eliminating pending opportunity. Observe effects legislation on staple commodities. Immediate action appreciated.

JACKSONVILLE WHOLESALE PRODUCE ASSOCIATION.

Mr. FLETCHER. Mr. President, in reference to the amendment offered by the Senator from Oregon [Mr. McNARY] eliminating fresh fruits and vegetables and perishable commodities from the operation of the farm relief measure, I have received a number of telegrams from those engaged in the industry in Florida opposing the amendment. I ask leave to have them inserted in the RECORD.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. FLETCHER. Certainly.

Mr. SMOOT. Am I to understand the Senator to ask that the telegrams be printed in the RECORD?

Mr. FLETCHER. Yes. They are from different associations, and there are not very many of them.

Mr. SMOOT. Why not have one printed in full and then insert in the RECORD the names of the senders of the others?

Mr. FLETCHER. They are not altogether duplicates; they are from different organizations and associations. They will not take very much space in the RECORD, and I think they ought to be set out in full. They are from different growers' associations.

There being no objection, the telegrams were ordered to lie on the table and to be printed in the RECORD, as follows:

BRADENTON, FLA., May 3, 1929.

Senator DUNCAN U. FLETCHER,
Senate Office Building, Washington, D. C.:

Our cooperative association, comprised of 400 vegetable growers, believe its members entitled to same benefits as producers of other commodities. We urge complete reinstatement of fruits and vegetables to full participation in all provisions farm relief bill.

MANATEE COUNTY GROWERS' ASSOCIATION,
H. T. BENNETT, Secretary-Treasurer.

SANFORD, FLA., May 3, 1929.

Senator DUNCAN U. FLETCHER:

Our cooperative association, representing large percentage vegetable producers this district, resent apparent discrimination against fruit and vegetable producers. We insist inclusion of fruits and vegetables in farm relief bill to the same participation as all other commodities.

FLORIDA VEGETABLE CORPORATION.

OVIEDO, FLA., May 4, 1929.

Senator FLETCHER, Washington, D. C.:

Don't let anybody deceive you into believing that majority of fruit and vegetable growers do not want or need farm relief. We need it more than some other groups of farm producers. Please defeat amendment to farm bill which cuts out fruit and vegetable growers from participation.

FORREST GARDEN FARMS.

WINTERHAVEN, FLA., May 4, 1929.

Hon. DUNCAN U. FLETCHER,
Senate Office Building, Washington, D. C.:

Understand McNARY offered amendment farm bill excluding fruits and vegetables from benefit farm bill. Please advise status and use your efforts obtain for fruit and vegetable growers complete benefit relief legislation.

FLORIDA UNITED GROWERS (INC.),
JOE C. JENKINS.

WEBSTER, FLA., May 3, 1929.

Senator DUNCAN U. FLETCHER,
Washington, D. C.:

Producers of fruit and vegetables need farm relief more than some other commodities groups. We are surprised at amendment to McNARY farm bill which deprives us of such benefits, and urgently request defeat in this amendment or any other which may be offered to prevent our growers from getting fullest benefits such legislation.

SUMTER COUNTY GROWERS ASSOCIATION.

MIAMI, FLA., May 3, 1929.

Hon. DUNCAN U. FLETCHER,
Washington, D. C.:

The amendment to Senate farm relief bill excluding fruit and vegetable growers from benefits farm relief is evidently advocated by interests unfriendly to this important group of producers. We want relief and respectfully urge that producers of fruits and vegetables be given all benefits of this special relief legislation.

FLORIDA GROWERS MARKETING ASSOCIATION.

BRADENTON, FLA., May 3, 1929.

United States Senator DUNCAN FLETCHER,
Washington, D. C.:

Fruit and vegetable growers certainly entitled to same benefits as producers any other commodities. Being sales manager handling over 3,000 cars for cooperative associations, urge complete reinstatement of fruit and vegetables to fully participate all benefits of farm relief. Frankly, we need relief more than some other commodities. Why pick on us?

C. W. GARNER.

WINTERHAVEN, FLA., May 3, 1929.

Senator DUNCAN U. FLETCHER,
Washington, D. C.:

In representing large number growers whose tonnage handled by us cooperatively, we ask full reinstatement fruits and vegetables to receive

all benefits all provisions farm relief bill. To deny one group of benefits granted other group most unfair discrimination.

FLORIDA UNITED GROWERS (INC.).

FORT PIERCE, FLA., May 3, 1929.

Hon. DUNCAN U. FLETCHER,
Care Senate Office Building, Washington, D. C.:

This organization to a man, representing over 100 vegetable growers, insist that you should not be misled into believing that the majority of fruit and vegetable growers in this vast agricultural State do not want or need farm relief. We need it worse than some other groups of farm producers. Please defeat the amendment to farm bill which cuts fruit and vegetables from participation.

INDIAN RIVER VEGETABLE GROWERS (INC.).

FORT MYER, FLA., May 3, 1929.

Hon. DUNCAN U. FLETCHER,
Senate Chamber, Washington, D. C.:

Fruit and vegetable growers of South Florida consider it vitally necessary that participation of fruits and vegetables be reinstated in provisions of farm relief bill with all privileges and benefits with restrictions.

LEE COUNTY COOPERATIVE GROWERS.

NEW ORLEANS, LA., May 3, 1929.

Hon. DUNCAN U. FLETCHER,
Senator, United States Senate, Washington, D. C.:

Sincerely trust you will oppose Senator McNARY's amendment to farm relief bill striking out fruit and vegetable growers who represent a vast proportion of our southern farmers and whose welfare contributes very materially to the South's prosperity. They are as much entitled to relief as the growers of grain or any other staple commodity.

F. W. REIMERS,
President Southern Pine Association.

JACKSONVILLE, FLA., May 4, 1929.

L. M. RHODES,
Raleigh Hotel, Washington, D. C.:

As information following telegram from E. W. Stillwell, California Vineyardists Association, San Francisco, Calif. "Senator McNARY yesterday introduced amendment to farm relief bill excluding fruit and vegetable growers from relief. This is distinct discrimination against perishable industry and is based entirely upon representations of Western Fruit Jobbers' Association and other eastern receivers who are interested in preventing Federal financing of growers which might hurt their selfish interests. As vote farm relief bill possibly to-morrow necessary immediate action through Florida Senators be taken protect Florida interests. Please communicate these facts Florida fruit interests, particularly Standard Growers Exchange and American Fruit Growers. Urge them telephone or wire Representatives to kill this amendment thus insuring farm relief for fruit growers in Florida as well as others." Think you can do better by seeing Senators there; we have not sent other wires.

STATE MARKETING BUREAU.

TAMPA, FLA., May 4, 1929.

Senator DUNCAN U. FLETCHER:

Understand fruit and vegetables exempt from farm relief bill by proposed amendment. We believe they should have same consideration as other agricultural products; would appreciate your influence to this effect and advising fully.

C. C. COMMANDER,
General Manager Florida Citrus Exchange.

SANFORD, FLA., May 4, 1929.

DUNCAN U. FLETCHER, Senator:

Informed effort will be made in Senate to eliminate fruits and vegetables from benefits of new agricultural bill. We protest against such discrimination and urge you oppose such action will all your power.

FIRST NATIONAL BANK.

Mr. VANDENBERG. Mr. President, similar to the protests from Florida, I send to the desk three telegrams from fruit and vegetable organizations in Michigan protesting against the elimination of fresh fruits and vegetables from the operation of the pending farm relief measure, which I ask may be inserted in the RECORD.

There being no objection, the telegrams were ordered to lie on the table and to be printed in the RECORD, as follows:

BENTON HARBOR, MICH., May 2, 1929.

Senator A. H. VANDENBERG,
United States Senate, Washington, D. C.:

Press notices to-day carry statement that Senator McNARY has introduced amendment to farm relief bill exempting fruit and vegetables

from the benefit of operation of the bill. In our opinion all provisions of the Haugen bill as passed by the House of Representatives are just as vital to fruit and vegetable cooperatives as to any other division of agriculture, and the bill should be passed by the Senate in that form without addition of amendment.

MICHIGAN FRUIT GROWERS' ASSOCIATION.

LAWTON, MICH., May 3, 1929.

Hon. ARTHUR H. VANDENBERG,

United States Senate, Washington, D. C.:

Our organization has been serving Michigan growers for over 30 consecutive years in producing and cooperatively marketing their products, and with realization importance and benefit to growers, we urge reinstatement of fruits and vegetables to fully participate all provisions of farm relief bill.

SOUTHERN MICHIGAN FRUIT ASSOCIATION.

CADILLAC, MICH., May 4, 1929.

Hon. A. H. VANDENBERG,

United States Senate:

We understand that certain interests trying to amend McNary bill to eliminate fruits and vegetables from the measure. We oppose the amendment. If any bill is passed to help one commodity then it should help all others. We oppose class legislation. We earnestly solicit your support in killing the amendment.

F. P. HIBST,

Manager Michigan Potato Growers' Exchange.

Mr. JOHNSON. Mr. President, in line with what was said by the Senator from Florida and the Senator from Michigan, I wish to state that not only have I telegrams almost without number protesting against the particular amendment, but telephonic communications since last evening from the State of California in regard to the amendment saying that it would work the most harmful and injurious results to the fruit industry there and on the entire Pacific coast.

Mr. GEORGE. Mr. President, I desire to make substantially the same statement as that made by the Senator from California [Mr. JOHNSON]. The producers of fruit in the country regard the clearing-house feature of the farm relief bill as perhaps one of its most helpful provisions, and my colleague and I, too, have received telegrams and other communications from a large number of fruit growers in the Southeast protesting against the amendment.

Mr. SHORTRIDGE. Mr. President, I, too, have received many telegrams to the same effect. While the matter is before us, if it be proper, I inquire of the chairman of the committee in charge of the bill as to its status in respect of this proposed amendment, so that we may understand the present situation.

Mr. McNARY. Mr. President, the bill as reported by the chairman from the Committee on Agriculture and Forestry applied to all agricultural commodities. A few days after the bill was reported to the Senate the Senator from New York [Mr. COPELAND] offered for the RECORD some telegrams opposing the inclusion of fresh fruits and vegetables. At his request, I offered an amendment, proposing it for him, which now bears his name and is known as the Copeland amendment, to exclude fresh fruits and vegetables from the operation of the proposed legislation.

I think I am quite accurate in saying, Mr. President, that most of the opposition came from the processors of fruit in the East and the apple growers of the far West and of Virginia, particularly in the Shenandoah Valley in that State. Yesterday the Senator from Washington [Mr. JONES] stated that he desired to modify the amendment so as not to exclude fresh fruit and vegetables but to limit it to pears and apples. Those two amendments are now pending. Within the last day I have received a number of telegrams, probably several hundred, from various sections of the country, but principally from the West and from Michigan and other States where fresh vegetables are canned and fruit is grown and sent to market, protesting against the exclusion of fresh fruits and vegetables from the operation of the bill.

It is my opinion, Mr. President, as I stated here a week ago in answer to the Senator from New York, that they quite misconceive the purpose of the bill and its provisions. Last year this matter came up when we considered the old export surplus bill referred to as the McNary-Haugen bill, and which was vetoed by President Coolidge. At that time the producers of fruits and vegetables thought the board might make the equalization fee applicable to their products and impose upon them an unjust burden. Of course, provision for the equalization fee is not to be found within the folds of this bill. I have said to those who have called upon me—and a great number have called during the last few days—that, in my opinion, many benefits might be derived by the producers of fruits and vegetables if those products remained under the provisions of the bill, and I shall set forth in a very brief way the reason for my opinion.

It is a purely voluntary proposition. If the producers of vegetables or of fruit or the processors desire to form a cooperative association they must first apply to a stabilization corporation for a certificate before they can receive Government funds.

If application should be made by the vegetable and fruit growers for such a certificate, and it should be allowed, they would then become a marketing agency for all of those engaged in that particular line of agricultural activity. Consequently, if they want to come in under the provisions of the bill they must initiate the movement. There is no way by which they can be forced to join in a mandatory fashion.

Mr. SHORTRIDGE. It is permissive?

Mr. McNARY. Yes; entirely so.

Mr. DILL. Mr. President—

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Washington?

Mr. McNARY. I yield.

Mr. DILL. Do I understand that if a majority of the members of a cooperative organization should make such application and it were granted it would apply to the entire industry?

Mr. McNARY. No.

Mr. DILL. Would it apply only in the section from which the application came?

Mr. McNARY. That brings us into a realm of argument which is more or less speculative, and as to which the Senator from Montana wanted to propound a question to the chairman a day or so ago. There are certain rules and regulations that must be prescribed by the Federal farm board. Application must come from a cooperative association. How that shall be done no one knows, because it will involve an administrative act. I assume that when a cooperative association producing vegetables or fruits shall apply for a certification as a stabilization corporation the board, exercising the usual judgment which it is expected to exercise, will say to the corporation: "We want every cooperative association engaged in the production of fresh fruits and vegetables to come in and make application with you; if they do not, then they may enter their application upon the same terms and with the same privileges as you will enjoy and will be subject to the same rights and immunities." The bill does not expressly provide what definite thing shall be done. It is left to the judgment of the board, for the board, under the bill, has a right to supervise the adoption of the by-laws of the cooperative association asking for a certificate of stabilization, and to make such changes in its by-laws as, in the judgment of the board, are necessary.

Mr. JOHNSON. Mr. President—

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from California?

Mr. McNARY. I yield.

Mr. JOHNSON. In order that the subject may be made entirely clear, may I ask the chairman if the amendment should be adopted and from the definition of "agricultural commodities" fresh fruits and vegetables should be excluded, could a fresh-fruit cooperative thereafter apply under the law for the formation of a stabilization corporation?

Mr. McNARY. I think not. If the language of the bill should expressly exclude them from its operations as to stabilization corporations, of course the provisions of the bill would control unless the law were amended and that provision were stricken out.

Mr. JOHNSON. Certainly. That is the whole nub of the situation. The reason I asked the question was to demonstrate that it is not a mere fear which these organizations in the State of the Senator from Florida, the State of the Senator from Michigan, and those in the State from which I come have that if the amendment should prevail then they will be denied under this bill any of its benefits or any participation in its provisions. It is because of that fact that they make their protests in the fashion they have made them. I ask the Senator to pardon me for the interruption.

Mr. McNARY. I am glad to have the Senator's observation.

Mr. REED. Mr. President, will the Senator permit another question along the same line?

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Pennsylvania?

Mr. McNARY. I am very glad to yield to the Senator from Pennsylvania.

Mr. REED. Mr. President, let us suppose that the apple-growing industry in Maryland and Pennsylvania decides to take advantage of the privileges afforded by the bill, and files an application for its benefits, would not that necessarily force the apple growers of Washington and Oregon to do the same thing or else to be put under a tremendous handicap in the competitive field? It seems to me that if one made application, and it was granted, it would necessarily force all the others to follow suit.

Mr. McNARY. Mr. President, I think the Senator has answered his own inquiry. If one section of the country or one set of cooperative associations dealing in apples—the Senator specifies that commodity—should make such an application, probably that action would force all others into a stabilization corporation and to come within the provisions of the bill, because the actual benefit under the bill would be derived by those who take advantage of its provisions.

Mr. REED. I understand that; but is not that in substance the same as saying that the Pennsylvania and Maryland growers of apples could compel the Oregon and Washington growers, against their will, to do what seems to them to be disadvantageous?

Mr. McNARY. I do not think so, because it would not be against their will if they came in in order to secure a larger benefit.

Mr. REED. I can only judge that by the telegrams and letters which have come to me and by the statements of visitors who have called on me. I have had a great outpouring of sentiment from the people of my State, in which there are many orchards and a great quantity of vegetables produced, expressing the fear that they never would be able to survive the relief that is offered to them under this bill, and they want to be excluded.

Mr. McNARY. Mr. President, I am quite in sympathy with the position taken by the Senator from Pennsylvania. We may disagree upon the benefits conferred by the proposed legislation. For one, I do not desire to force any producers to come within the provisions of the bill unless they want voluntarily to come under them. They can come in or stay out, according to their own judgment, but, of course, if the apple growers of Oregon and Washington want to come in and join most of the other apple growers of the country, then—and they should get a certificate for a stabilization corporation—it might work a handicap upon those who stayed out, because they would be operating at a disadvantage. However, Mr. President, I say again that brings to the surface plainly the idea that there must be some benefits under the bill. Now, in a word, what are they?

Mr. FLETCHER. Mr. President—

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Florida?

Mr. McNARY. I yield.

Mr. FLETCHER. The same result in another way would follow. If those who went in at their option found that it was beneficial, those who stayed out could come in or not, just as they pleased. It would be entirely optional with them whether they came in; but if there should be benefits, then those who stayed out would be denied those benefits, and if they desired to enjoy them they would have to come in.

Mr. McNARY. Yes.

Mr. FLETCHER. Mr. President, if I may—

Mr. REED. Mr. President—

The VICE PRESIDENT. One at a time. Does the Senator from Oregon yield; and if so, to whom?

Mr. FLETCHER. The Senator from Oregon yielded to me.

Mr. McNARY. I have the floor. I yielded to the Senator from Florida, and I want next to yield to the Senator from Pennsylvania.

Mr. FLETCHER. I merely wish to say that my impression is that those who are in favor of the proposed amendment are laboring under the apprehension under which they labored last year. They were opposed to the equalization fee, and for that reason they insisted they should be left out of the provisions of the bill. However, the pending measure does not provide for the equalization fee at all, and so I think that they are acting under a wrong impression. I should like to see the amendment withdrawn entirely, so that it may be left optional with the producers to come in or not.

Mr. REED. Mr. President, will the Senator from Oregon yield further to me?

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Pennsylvania?

Mr. McNARY. I yield.

Mr. REED. Mr. President, it seems to me that the question takes on added importance when we consider that some districts are exporting a very much larger proportion of their output than are others. I do not know—and it does not matter in the least for the purpose of the question—whether Oregon and Washington export a larger percentage of their apples than do Maryland and Pennsylvania, but I do know that a very important export trade in apples has been built up particularly during the last few years. Think how unjust it would be to that portion of the industry whose export situation is different from that of those engaged in the same industry at the other end of the country to force them into an association which evidently will prejudice their export business.

I do not know whether I am speaking for the West or for the East in making this statement, but I do know that the situations are different; I do know that the people are interested in this question, and the people who come to me have been men who own large groves on the Columbia River, and also own large groves in the East, and they say that it will almost annihilate the export business which they have been building up, and we shall have a glut in the market here.

Mr. KING and Mr. THOMAS of Idaho addressed the Chair.

The VICE PRESIDENT. Does the Senator from Oregon yield; and if so, to whom?

Mr. McNARY. I wish to ask the Senator from Pennsylvania a question before yielding further. Did the gentlemen to whom the Senator from Pennsylvania has referred assign any reason why their export business would be injured because of the enactment of the bill?

Mr. REED. Yes; they did. They stated that the measures of retaliation which would be adopted by countries to which they exported would, in their judgment, make their export business impossible.

Mr. KING. Mr. President—

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Utah?

Mr. McNARY. I yield.

Mr. KING. The Senator from Oregon stated a moment ago, if I properly interpreted his remark, that the operation of the feature of the bill which we are now discussing would depend largely upon administration, and that the board would have rather broad power for the purpose of putting into effect the provisions of the bill. The question I desire to ask the able chairman of the committee is this: Is there anything in the bill that gives to this board plenary power to enact and promulgate regulations, penal or punitive in character, the effect of which would be to compel cooperatives or noncooperatives to come within the provisions of the bill and accept what are called the benefits of stabilization?

Mr. McNARY. Oh, no; not at all.

Mr. THOMAS of Idaho and Mr. DILL addressed the Chair.

The VICE PRESIDENT. Does the Senator from Oregon yield; and to whom?

Mr. McNARY. I yield to the Senator from Idaho.

Mr. THOMAS of Idaho. I desire to ask the chairman of the committee if the same argument made for the exclusion of perishables could not be made for the exclusion of any other farm product?

Mr. McNARY. Why, of course.

Mr. DILL. Mr. President—

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Washington?

Mr. McNARY. I do.

Mr. DILL. I just want to say that the Senator from Pennsylvania [Mr. REED] has placed his finger on what seems to me to be the serious objection to dropping the amendment, as suggested by the Senator from Florida. Not only might it cause retaliation on the part of those purchasing export apples of this country in foreign countries but the fact that this plan was not joined in by all of the cooperatives might arouse in the buyers in foreign lands the hope that they could get apples cheaper; and the marketing organizations of the State of Washington, at least, are unanimously opposed to the provisions of this bill applying to apples and pears.

Mr. REED. Mr. President—

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Pennsylvania?

Mr. McNARY. I do.

Mr. REED. As the matter is expressed to me by the people who have come from these eastern districts, it is very much like the story of the wounded soldier in the hospital in France who put up a sign over his bed for the benefit of the amateur young ladies who were working in the hospital. One morning, when they came around to his bed, they found that a sign had been put up reading, "Too sick to be nursed to-day."

That is the way it is with our vegetable and dairy industry in Pennsylvania. We are fighting too hard for business just now to need or want any relief at present.

Mr. McNARY. Mr. President, I am unable to find in the bill anything that would disorganize the export business as suggested by the apple growers of Pennsylvania, Oregon, or elsewhere. Probably these growers are referring to the debenture provision. I am speaking of the bill divorced from the debenture plan. A stabilization corporation would simply act as a marketing agency for the various cooperatives in order to effect certain economies. It would have the power, if there were a surplus, to segregate that surplus and sell it or store it. I do not think in any way it would interfere with the export busi-

ness. It would not stimulate the production of any more apples. The marketing of the apples would follow the usual current of commerce. The growers would probably receive a higher percentage of the market price for their products. They would be able to borrow money for construction or rent of facilities. I can not find one logical reason, and I challenge the Senator from Pennsylvania or the Senator from Washington to show one particular reason why the apple growers or the fresh fruit and vegetable growers would be in any way injured by the operation of this bill, if it becomes a law, under the wise leadership of a competent board of directors.

Mr. DILL. Mr. President—

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Washington?

Mr. McNARY. I yield.

Mr. DILL. The answer to that question, I think, depends upon the answer to the question I asked the Senator from Oregon earlier in the discussion, namely, whether all of the cooperatives in an industry, or only a part of them, shall be required to go in. The Senator, as I understood him, does not know; and it is because nobody knows whether or not they will be compelled to go in that the apple-marketing organizations in the State I in part represent are afraid to be included under this bill, and they want to be excluded, at least temporarily, until they see what kind of regulations the board places upon cooperatives that go in.

Mr. McNARY. The Senator does not accurately reflect the opinion or the expression of the chairman of the committee. There is no such thing as forcing anyone into these stabilization corporations.

Mr. DILL. Well, Mr. President—

Mr. McNARY. If the Senator will bear with me, I said a moment ago that I did not know what percentage of the cooperative associations the Federal farm board would say were necessary to come together in one great mass or body in order to be entitled to a certificate of stabilization. I should assume that, in the exercise of good judgment, the board would require a large majority of the members of various cooperative associations to come in. Those that did not want to come in could stay out; but I expressed the opinion that they will all come in, on account of the benefits that are embodied by express language in the bill.

Mr. DILL. Mr. President—

Mr. GOFF. Mr. President, will the Senator yield?

Mr. McNARY. Just a moment. I yield further to the Senator from Washington.

Mr. DILL. It is the very uncertainty of the situation that frightens the exporters of apples, who, by great effort and large expenditures of money, have built up a market for their products; and not knowing what percentage of the cooperatives of an industry, particularly the apple industry, will be compelled to come in before it will be applied, they do not want to take the chances of being required to compete with a corporation assisted by the Government, and I do not think Congress should impose upon them what they do not want. It may be that, after the law has been in operation, it will be evident that their objections are not justified, but for the present they do object.

Mr. McNARY. I have no particular prejudice or view in the matter. If the apple growers and the pear growers of Washington want to get out, so far as I am personally concerned they can get out and stay out. That is to be left to the expression of this body. The House passed a bill including all agricultural commodities. If the Senate, in the exercise of a superior wisdom, desires to exclude apples or pears or peaches or plums or vegetables, it may do so without having any quarrel whatsoever with the chairman. I am simply attempting to say that in this bill are certain benefits, in my opinion, which they would realize if they were in and would be denied if they were out.

I now yield to the Senator from West Virginia.

Mr. GOFF. Mr. President, I desire to ask the chairman of the committee if he will explain, under his view of this provision, what purpose would be served either by bringing the perishable-fruit growers under the provisions of this bill, or by giving them the option to come in if they desire to exercise it?

Mr. McNARY. Mr. President, I tried briefly to do that a moment ago. It is purely voluntary. They can come in or stay out, as they please.

Mr. GOFF. Is it not true that if they can come in, and, as I understood the position of the Senator from Washington, some do come in, then we have created a domestic complexity in the perishable-fruit industry which will not make for the benefit of the fruit growers?

Mr. McNARY. That is the view entertained by some of the Senator's constituency and others, of course; and they may be right.

Mr. GOFF. I will say to the distinguished chairman of the committee that it will be very detrimental to the fruit growers of the State of West Virginia, and I think of the States adjacent thereto, as well as, I understand, many of the fruit growers of the far West, to have a domestic competition brought about by those who desire so to influence the perishable-fruit market; and it will also result in a demoralization of the market in which the domestic fruit growers of this country are now engaged. For that reason I feel that we should not have this optional clause but that the domestic growers of perishable fruits should be removed altogether from the bill at the present time.

Mr. McNARY. Mr. President, that is a clear statement of the conditions that probably obtain in the mind of the able Senator from West Virginia; and if that appeal is made to the body of the Senate, I think probably we can have a vote upon the subject following the one on the debenture.

Mr. ROBINSON of Arkansas. Mr. President—

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Arkansas?

Mr. McNARY. I do.

Mr. ROBINSON of Arkansas. I merely wish to say that the more this subject is discussed the more mysterious and cloudier becomes the issue.

We were told a few minutes ago that it is entirely voluntary under the provisions of the bill as to whether dealers in or producers of perishable agricultural commodities shall avail themselves of the provisions of the bill; and we were told at the same time that while that was true, yet if any cooperative association went in, and another remained out, the latter would be destroyed. It is really quite difficult to tell what can or may be done under the provisions of section 9 of the bill. It is entirely clear, from a legal construction of the section, that two or more cooperative associations for any perishable commodity may invoke the arrangement contemplated by section 9, known as clearing-house associations. The language is, "Upon the request of cooperative associations." That means more than one, and it does not necessarily mean more than two.

Mr. McNARY. Mr. President, we were discussing a different proposition. That refers to clearing-house associations. We were discussing the stabilization corporation, which acts in a dual capacity—first, supplying money to take the surplus off the market and relieve depression; second, as a merchandising agent for its members. I am not discussing the clearing-house provision at all.

Mr. ROBINSON of Arkansas. But the clearing-house provision does relate to perishable commodities.

Mr. McNARY. Indeed, it does; but—

Mr. ROBINSON of Arkansas. And my understanding was that those who are seeking to amend the bill desire, as a part of their amendment, to strike out that provision.

Mr. McNARY. No; that is not the provision at all. The amendment offered by the Senator from New York [Mr. CORNWALL] used this language:

The words "agricultural commodity" shall not include fresh fruits and vegetables.

As modified by the Senator from Washington, it says:

The words "agricultural commodities" shall not include apples and pears.

That takes them outside of the operation of the general provisions of the bill, of which this is one—the clearing-house provision.

Mr. ROBINSON of Arkansas. Yes; that is what I say.

Mr. McNARY. But we were discussing a different phase, rather than the clearing house.

Mr. ROBINSON of Arkansas. But the clearing house is a part of the provision for dealing with perishable agricultural commodities.

Mr. McNARY. Unquestionably.

Mr. ROBINSON of Arkansas. Now, do the proponents of the amendment intend to leave in the provision relating to clearing houses, or do they intend to strike that out also?

Mr. McNARY. I do not know; but if I were proposing to take vegetables and fruits out of the operation of the law, I would certainly strike out the clearing-house provision, because it applies only to perishables.

Mr. ROBINSON of Arkansas. That was my suggestion in the beginning. It will be necessary to strike that out if the board is not to have jurisdiction to deal with perishable agricultural commodities.

Mr. McNARY. The Senator is quite right about that.

Mr. ROBINSON of Arkansas. Because otherwise, upon the application of two or more cooperative associations dealing in those commodities, this machinery may be invoked. The terms of that section are very broad and quite indefinite.

Mr. McNARY. The Senator is quite right.

Mr. ROBINSON of Arkansas. And I say again that even after discussion a person of ordinary intelligence like some of us, including myself, can not understand what is permitted or contemplated by the bill with respect to perishable agricultural commodities.

Mr. McNARY. That is true; and I may add this remark: It is my purpose to advise the Senator from New York [Mr. CORLEAND], if the amendment to exclude fresh fruits and vegetables is carried, that it will be proper to strike out the provision relating to clearing houses.

Mr. ROBINSON of Arkansas. That was the thought that prompted me to rise.

Mr. McNARY. I am obliged to the Senator from Arkansas.

Mr. WALSH of Montana and other Senators addressed the Chair.

The VICE PRESIDENT. Does the Senator from Oregon yield; and to whom?

Mr. McNARY. I yield first to the Senator from Montana.

Mr. WALSH of Montana. Mr. President, the discussion that has been precipitated by this amendment has approached the field which I desired to open up by questions which I desired to address to the chairman of the committee a few days ago.

It has been remarked that the remedy for those who do not join in the application for the stabilization committee is to come into the stabilization committee after it is created; but—I regret that the senior Senator from Florida [Mr. FLETCHER] is not here—I do not find in the bill any provision which will permit the admission of other cooperatives to the stabilization corporation after it has been created, so I suppose probably that matter may be dealt with under rules prescribed by the board.

In other words, the board may or it may not make a rule which will permit other cooperatives to come into the stabilization corporation. That opens up the question about which I desire to get information.

The stabilization corporation is certified upon the application of cooperative associations. Several cooperative associations apply for certification, not all cooperatives engaged in that particular line of business but several cooperative associations, or two groups of corporations may simultaneously apply for certification.

Take the case of tobacco, for instance. The tobacco growers of Virginia, North Carolina, and South Carolina, the cooperatives, apply for the creation of a stabilization corporation. The growers of Wisconsin, Connecticut, and possibly another State or two, do not want to go in with those people from Virginia, North Carolina, and South Carolina, and they make a rival application. Who is to determine which shall be certified? Obviously, the board. The board will be permitted to select. Suppose the corporation is created. Let me ask the Senator: Is it contemplated that every cooperative not joining in the original application shall be permitted to come into the stabilization corporation?

Mr. McNARY. Mr. President, I answered the proposition a moment ago. I tried a while ago to answer a similar question propounded by the Senator from Washington. I first started with this assumption: That this board will deal wisely and fairly with the representatives of the cooperative associations. There is ample authority under the general provisions of the measure giving the Federal farm board power to issue and promulgate rules and regulations which will meet the very situation now being described by the Senator from Montana, and if I were the high-powered chairman of that board and two or more cooperative associations should apply for a certificate of stabilization, I would suggest to them the advisability and the wisdom of presenting the matter to all other cooperative associations dealing in like agricultural products. If that were not done by those associations, again, as chairman of that board, I would take it up as an independent matter for the board, in order to reach all the producers operating under associations of that kind, working and endeavoring to get as many of the members of those associations as possible to express their view as to whether they desired to become a stabilization corporation. That is a matter of administration which we must trust to the judgment and good sense of the board.

Secondly, if some remain outside and later desire to come inside—and if I were still a member of the board—I would promulgate a rule providing that they could come in with the same rights and enjoy the same privileges as those who originated and initiated the movement. That takes care of the

whole proposition and also protects the situation. We are dealing in a realm of speculation about which we do not know anything and that power I am willing to rest in the board.

Mr. WALSH of Montana. The Senator has answered the question definitely, and that conforms to my idea about it. We leave entirely to the discretion of the board which group, if there are various groups, they will certify as a stabilization corporation. Likewise we leave to the board the discretion to determine whether other cooperatives shall subsequently be admitted or not.

I merely desire to remark in that connection that the laws of most of the States providing for these cooperative associations specifically provide that others engaged in like businesses may be admitted as members of the corporation upon certain terms, so that it is not left to the discretion of the officers of the corporation to let whomsoever they will come into the corporation, but the terms and conditions are laid down.

The principle is applied, Mr. President, in connection with associations formed for the use of the national forests. There is a certain lot of stock raisers who organize themselves into an association for the purpose of running their stock upon the national forests. Of course, they want to keep that all to themselves, but after a time another man comes into the locality, he goes into the stock business, and he would like to have an opportunity to run his stock on the forest reserves also. Provision is made that under certain circumstances and conditions the association must admit him to the association.

I simply put it to the chairman of the committee as to whether it would be wise to leave the whole matter to the discretion of the board, or whether provision should not be made in the first place for affording an opportunity to every cooperative to come in in the first place, or, in the second place, if they do not come in originally, to be admitted subsequently. But that disposes of that.

Mr. McNARY. I am willing, so far as I have one vote to express my views, to leave it to the judgment and wisdom of the board. I can not imagine in any case a board sympathetic with the proper administration of the law would in any way or manner prevent its full and beneficial operation. But if it is desired by the Senator from Montana directly to provide that, in the first instance, notice must be given to all cooperatives dealing in the particular commodity that desires a stabilization corporation, and also to make it mandatory on the board to accept in membership cooperative associations on equal terms with those initiating the movement, I am willing to consider sympathetically that request.

Mr. WALSH of Montana. Then I want to inquire of the Senator from what source is the capital of the stabilization corporation to come? It is contemplated that it shall do a very large amount of business. It shall act as a marketing agency for the cooperatives. It shall advance money to the cooperatives in order to enable them to hold over their products, and so on. What capital are the cooperatives, which are to be stockholders, if one may so say, of the stabilization corporation, to bring to the enterprise?

Mr. McNARY. That suggests to the chairman this sort of answer, that under the bill the stabilization corporation would have a dual function to perform; first, as merchandising agent for its members, or for the members of the cooperative associations forming the body of the stabilization corporation. The capital is to be supplied for the purpose of merchandising by the Federal farm board, employing Federal funds to acquire stock in the stabilization corporation.

Mr. WALSH of Montana. So that the cooperatives are to bring no capital, but the capital is to come from the appropriation of \$25,000,000 made in the bill?

Mr. McNARY. Yes; upon this theory, I might say to the Senator, that when the stock is acquired by the Federal farm board with Federal funds, and any profit is derived from the marketing of the products by the members of the stabilization corporation, 75 per cent of that profit shall go into what is known as a merchandising reserve fund and 25 per cent shall be paid back as profits to the stockholders of the cooperative associations, for this reason, that in the end the accumulations will be such as to retire the stock purchased by the Federal farm board, so that the stabilization corporation shall be, in fact, farmer owned, farmer controlled, and farmer capitalized.

Mr. WALSH of Montana. That is all right, and I appreciate that when the stabilization corporation shall make some profit, that naturally will go into the treasury of the stabilization corporation. But the stabilization corporation will need some capital with which to commence business.

I perceive here that the farm loan board may subscribe to stock in the stabilization corporation to the extent of \$25,000,000. Let us assume, though, that the cooperatives them-

selves bring no capital at all. Upon what basis are the officers of the stabilization corporation to be elected? Let us assume that one cooperative, a member or stockholder in a stabilization corporation, has a million members, and that another cooperative, which is also a member, has a hundred members. One of them actually brings to the corporation \$100,000 and gets stock for that \$100,000, because the bill contemplates the payment of dividends upon whatever stock the member has. Upon what basis do they participate in the business of the stabilization corporation?

Mr. McNARY. Mr. President, it is perfectly manifest to the keen mind of the Senator from Montana that there is no provision in the bill that measures out that responsibility or dictates how that shall be done. If I were chairman of the board, and a thousand members from one association came bearing \$100,000, and another association came with a hundred members bearing \$100, I would give them representation according to their membership and capital. Those are not difficult things of solution.

I do not know just what this board is going to do or how it is going to function, but I have faith in the character of the men who will be selected and their ability to administer and sympathy for this legislation.

Mr. WALSH of Montana. But what basis could the Senator suggest? Here is a corporation with a membership of 100,000 doing \$3,000,000 worth of business and another corporation with only 100 members doing \$50,000 worth of business. One of these corporations does not bring any capital to the stabilization corporation at all and another puts in \$100,000. Upon what basis could representation be given?

Mr. McNARY. I explained to the Senator a moment ago; he will have to exercise his vivid imagination. I would give them representation according to their membership, and if one brought in \$100,000 and another brought in \$100, they would receive dividends in proportion to the amount of their subscription to the capital stock.

Mr. WALSH of Montana. That is plain from the bill, but the question is, in the first place, about the election of officers to manage the business.

Mr. McNARY. The board has the power to make regulations and also to scrutinize and modify the by-laws of the stabilization corporations. I would assume, if there were seven directors, that more would be selected from the corporation having 100,000 members than from that having 100 members. I can not see how you can take a bill and write into it each particular step such a board would have to take in its efforts to construct into an institution the provisions of this bill. If the Senator has something to suggest with regard to that which would clarify or make safer the operation of the bill from the standpoint of the cooperative associations or the members thereof, as chairman of the committee I will be very happy, indeed, to consider the suggestion.

Mr. WALSH of Montana. The Senator will understand that I have every sympathy with the purpose he has in mind.

Mr. McNARY. I appreciate that.

Mr. WALSH of Montana. I am suggesting some of the troublesome questions which have occurred to me, and apparently the only answer is that they must all be referred to the board.

Mr. McNARY. I am quite in accord with the sympathy now being expressed by the able Senator from Montana. I, too, have given the subjects much thought, especially the particular administrative feature referred to by the Senator. I have been unable to persuade myself to believe that any language that might be inserted in the bill which is not now there would clarify or help the situation. Consequently the question must come back to the board and we must leave it largely to its judgment.

Mr. WALSH of Montana. Although I had no part in the preparation of the bill and am not a member of the committee, yet I suppose probably the matters to which I have invited the attention of the Senate have had the consideration of those who have had charge of the duty of preparing the bill and that they must have some kind of idea about how the points to which I have invited attention are going to work; but I confess just now I find it a little difficult to visualize the situation. There are statutes providing for cooperative associations which provide that no matter how much capital one contributes it has only one vote.

Mr. McNARY. That is the Capper-Volstead law enacted by Congress providing that as to all cooperatives engaged in interstate commerce, irrespective of the amount of subscription there shall be only one vote, with a maximum of 8 per cent dividends.

Mr. WALSH of Montana. The dividend is all right. They get only 8 per cent on the capital contributed no matter how

much that capital may be. But in voting for directors or officers of the corporation the individual has only one vote no matter how much he contributed.

Mr. McNARY. As I said a moment ago, it is an old form of organization that sprang up a great many years ago in the West. I do not see how it handicaps the present situation at all, whether we have one vote as a member of the corporation or as many votes as we have shares of stock. The board, handling the Government funds, desirous of not dissipating them, entertaining a strong hope to make effective the legislation, will evidently prescribe rules to meet every situation. I say to the able Senator in discussing the matter—and he always gives his subjects very careful thought—that if, as a Senator, he can suggest some language that will harness the board and compel it to drive along in the road which he thinks will be safer for the cooperatives, as chairman of the committee, I shall certainly give his suggestion most serious consideration.

Mr. WALSH of Montana. I am certainly solicitous that justice shall be done to everyone who goes in or wants to go in.

Mr. McNARY. Likewise is every Member of the Senate.

Mr. WALSH of Montana. There is another point I would like to suggest in regard to the matter we are discussing. The board has a right, before the stabilization corporation is created, to inquire into its management, by-laws, rules, and so forth, so they must be outlined in a way that is satisfactory to the board. Likewise, the corporation can not change its rules or by-laws except with the approval of the board. So that so far as the rules and by-laws are concerned we are safe enough. But if the Government supplies all the capital with which the stabilization corporation operates—and that is what seems to be contemplated by the bill, although there are other provisions which seem to contemplate that they shall bring some capital to the enterprise—apparently the board has no control over the operation of the stabilization corporation, no right, for instance, to inspect its books—

Mr. McNARY. Oh, yes.

Mr. WALSH of Montana. No right to remove any of the officers who might prove derelict in the discharge of their duties. Am I correct in that?

Mr. McNARY. I do not think so. I think under its general broad powers, inasmuch as it has the right to prescribe the sort of by-laws for the stabilization corporation, the board would have the right to suggest that nonfeasance or malfeasance in office or misperformance might incur a penalty which would require the resignation and removal of a member or members of the board of directors of the stabilization corporation.

Mr. WALSH of Montana. Under what provision of the bill could the board do that?

Mr. McNARY. Under the general powers of the board.

Mr. WALSH of Montana. I should be glad to have that pointed out to me. I have examined the bill and did not discover it. The Government provides the capital with which the corporation is to do business. It looks over the rules and by-laws, and that kind of thing, but beyond that it apparently has no control over the operation of the corporation.

Mr. McNARY. Not at all. The Senator stops in his discussion with one function of the board, and that is its merchandising function, which is the smallest of all and involves only \$25,000,000. Under the major purpose of the bill, namely, the handling of the surplus through the processes of orderly marketing, the board must find there is a surplus, must loan money—not buy stock, but loan the money—to the stabilization corporation upon such terms as in its judgment would not incur losses, exercising all the business prudence that a good business man would exercise under similar circumstances. To that extent the board has full control over the stabilization corporation in its major operations, \$375,000,000 being available for that purpose.

On the question of merchandising for the cooperative organization the stock acquired by the Federal farm board, it is my impression that in examining the character of the applicant for a charter, in examining the by-laws and prescribing the limit of powers conferred, the board could meet all the contingencies which are now being suggested by the able Senator from Montana.

But I say again to the Senator, because I am always pleased to have his judgment on any question, if there is a weakness in that feature of the bill, if the board has not sufficient control over the board of directors of the stabilization corporation, to determine whether they should be removed or not, I should be very glad, indeed, to have the able Senator suggest something in the way of language that will cure it; but I do not think it is needed.

Mr. WALSH of Montana. I want to make another suggestion to the Senator to get his viewpoint following the discussion. In practically every instance where a great banking institution is

called upon to furnish the capital with which an industrial or other corporation operates its business, either by taking stock in the corporation or by loaning the money to the corporation to carry on its business, it insists upon representation on the board of directors, and so with the Federal land banks. Nominally at least the capital of those banks is furnished the local association. But the Government of the United States advances considerable money and, having advanced the money, it claims representation on the board of directors. I submit to the Senator from Oregon as chairman of the committee whether the Federal farm board ought not to have representation on the stabilization corporation board in order that it may at all times be advised about the business being transacted.

Mr. McNARY. Oh, I think not.

Mr. WALSH of Montana. Is not that the ordinary prudence exercised by a banker or other loaner of capital funds?

Mr. McNARY. I ask that the Secretary may read the provision of the bill which I think is more or less effective. I do not want to take the Senator off his feet because he has the floor.

Mr. WALSH of Montana. That is all right.

The PRESIDENT pro tempore. The clerk will read, as requested.

The legislative clerk read from page 9 of the bill, as follows:

(3) The corporation agrees with the board that the corporation will from time to time adopt such by-laws and make such changes in its by-laws as, in the judgment of the board, are necessary to enable the corporation effectively to conform to the requirements of this act.

Mr. McNARY. I think that practically covers many of the suggestions made by the Senator from Montana.

Mr. WALSH of Montana. It was that basis upon which I presented the questions to the Senator. I stated that the board practically controls the by-laws and the plain management at the outset, and it likewise controls any change in the by-laws. That is quite apart from the question I have tried to present.

Mr. BLAINE. Mr. President, before the chairman of the committee takes his seat, I would like to make one further inquiry relating to his interpretation regarding the stabilization corporation, in connection with what the Senator from Montana has said. I call attention to the provision on page 8 that no more than one stabilization corporation shall be certified for any one commodity for the same period of time.

Mr. McNARY. That is correct.

Mr. BLAINE. I take it that a commodity can not be split.

Mr. McNARY. Oh, yes.

Mr. BLAINE. That is, cheese is cheese.

Mr. McNARY. I suspect it is, if it is good cheese. [Laughter.]

Mr. BLAINE. We can not split potatoes into two commodities.

Mr. McNARY. That is true, of course.

Mr. BLAINE. We can not split whole milk into two commodities. We can not split tobacco into two commodities.

Mr. McNARY. Unquestionably that is true. There is no need to state any further illustrations.

Mr. BLAINE. Having impressed that upon the Senator, let me submit a suggestion that perhaps will throw some light upon this very important situation. The State of Wisconsin and the State of Connecticut produce primarily and principally a certain type and grade of tobacco. We will assume that the cooperatives in those two States make application for a charter as a stabilization corporation. The State of Virginia and the State of North Carolina produce tobacco of another grade and another type, the important and primary production of those States. The producers of the tobacco in their respective States I think at the present time feel that it is utterly impossible to market under one corporation tobacco that is produced in the four States, because the tobacco produced in Wisconsin and in Connecticut must be sold for a certain purpose. I am speaking of the larger production of the primary grades. Their interests may be entirely different than those of the producers of tobacco in Virginia and North Carolina, and they would not choose to join the same stabilization corporation. It would be against their interests even as to either side.

I inquire of the chairman of the committee as to that feature, and I assume that his answer will be that the board shall choose which one it will recognize.

Mr. McNARY. Is the Senator satisfied with that answer?

Mr. BLAINE. The board, having chosen to recognize Wisconsin and Connecticut, therefore bars the producers of Virginia and North Carolina from having a stabilization corporation for the particular type or grade of tobacco which they are marketing. I know from practical experience that it is difficult to combine the two types of tobacco in producing, storage, and

sales agencies. In a sense they go into a different trade, into a different processed article, and they are naturally competitive in the field of marketing. I assume from the answer the chairman of the committee gave that one stabilization corporation could be organized and the producers of all grades of tobacco must come within that stabilization corporation. I may be mistaken. I would like to have the opinion of the chairman on that specific case.

Mr. McNARY. I can not, much as I would like to do so, enlarge upon the language of the bill. Construing it as I find it now written, of course there can be only one stabilization corporation for an agricultural commodity, and tobacco is tobacco.

Mr. BLAINE. Would the Senator think it wise to provide for the splitting of a commodity so there might be stabilization corporations representing certain types of a certain commodity? I mean by "splitting" the commodity the dividing of that commodity into its various grades. I am merely asking the question for the purpose of securing information. There is no idea of provoking a controversy.

Mr. McNARY. I appreciate that the Senator from Wisconsin has spoken in the best of faith, and has raised a very interesting point. The advantage of having but one stabilization corporation for a commodity is to give it higher bargaining power and to effect economies that can not be effected if competitive stabilization corporations dealing in the same commodities are operating. Rarely can there be found a commodity similar in character to tobacco, which is competitive in a way because of the various grades produced. In that instance, I understand, it might be advisable, it might be wise, to permit the board in its own wisdom to organize more than one stabilization corporation for the commodity. I should have no objection to that.

Mr. BLAINE. Then that could be brought about by an amendment to the proviso?

Mr. McNARY. I am not saying that I feel friendly generally toward a proposition of that kind, because I believe in the organization of as few stabilization corporations as possible. I think that stabilization corporations should be confined to one for each commodity, so far as practicable. That will make for a strong and big corporation, and will enable it to accomplish things that several small organizations operating in the same field could not accomplish.

Mr. BLAINE. Mr. President—

Mr. McNARY. Let me continue, if I may, for a moment. I am not so familiar with tobacco as with some other agricultural commodities.

Mr. BLAINE. I merely used tobacco as an illustration.

Mr. McNARY. I appreciate that. The same condition probably does not obtain with respect to any other commodity, but in the case of tobacco the growers deal with different customers who buy different grades under the varying conditions which prevail in different portions of the country, and also for exportation to various foreign countries different grades are purchased. I can not conceive, however, if all the producers should come under one stabilization corporation, controlled by such rules and regulations that may be prescribed by the Federal farm board, why there should be any antagonism in interest or conflict in management. I think the Senator is suggesting a situation which probably will never exist.

Mr. BLAINE. Mr. President, if the Senator will permit me a further interruption, I may suggest that the situation does now exist. The growers of different grades of tobacco do not combine because there is a certain element of competition involved whereby cooperation between those elements is not practical. So it is an economic situation, not sectional in character as to States or as to individuals, but it is an actual situation that exists in the trade, in the marketing, and in the economic field. That can not be overcome by any board or any power or any law. I was just wondering if we can not frame a provision whereby those who must of necessity split a commodity may have the benefits of a stabilization corporation if there are to be benefits.

Mr. McNARY. Would it work to any great disadvantage if some of those who raise Burley tobacco came in and some who raised another grade of tobacco remained out? There is nothing compulsory in the proposal.

Mr. BLAINE. I understand that; but if there were only one stabilization corporation, and if benefits were to be derived under the bill in that way, then certain producers would be denied its benefits because of the very economics of the situation. That is the point I am trying to make. I hope the chairman of the committee will consider the suggestion very carefully and that we may find a solution.

Mr. McNARY. I shall be very glad to do so. The Senator from Wisconsin raises a very interesting point.

Mr. BINGHAM. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Connecticut?

Mr. McNARY. I yield.

Mr. BINGHAM. Is not this the case in regard to tobacco? It is not so much a question of grade or a question of competition, but it is a question of fact, that there are two entirely different kinds of tobacco produced, one of which is used in the making of cigarettes and the other in the making of cigars. The cigar industry, due to circumstances over which no one has any control, is not growing, and those who raise binders and wrappers, which are the grades raised in Connecticut, are unable to secure the market for their products which they once had, whereas those who raise tobacco which may be used in the manufacture of cigarettes have a wide market. The problems of the two are so different that it seems as though one corporation handling tobacco would not be able to handle both of these commodities, which are really different, although they have the same name.

An amendment might be offered which would provide that where the varieties of a commodity are not competitive, as these are not competitive except in the same way as bananas may be competitive with apples, there might be two corporations.

Mr. McNARY. I think that power might well be reposed in the board under the conditions of which the Senator has just spoken. It might meet the condition which has been very aptly described by the Senator from Wisconsin and now supplemented by the Senator from Connecticut.

Mr. FLETCHER. Mr. President, in that connection, as the Senator has said, the various types of tobacco may not be competitive at all. For instance, in Florida we grow wrapper tobacco in one section and we grow cigarette tobacco in another section. They do not compete with each other, as I understand. In other portions of the country there is produced what is called filler tobacco and in other sections chewing tobacco. They all may be classed as tobacco, but they are not competitive; they are not handled in the same way and do not reach the same market. It seems to me that the bill might well allow a stabilization corporation each for filler tobacco, for chewing tobacco, for cigarette tobacco, and for wrapping tobacco, and other kinds of tobacco, for they really are different industries.

Mr. BARKLEY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Kentucky?

Mr. McNARY. I yield.

Mr. BARKLEY. Mr. President, in reference to tobacco, in which Kentucky is very greatly interested as one of the largest tobacco-growing States of the Union, the cooperative-marketing associations which were there organized some five or six years ago have practically gone out of business. There were two separate organizations, one to handle the domestic tobacco which is largely used in the making of cigarettes and cigars, 85 per cent of it being consumed in the United States; and another which was formed to market the export tobacco, which is known as the dark tobacco, 85 per cent of which finds its market abroad. Both those cooperative-marketing associations have practically ceased to exist, so that without their reorganization, there is nothing in the bill as it passed the House that will afford any relief whatever to those tobacco growers. Is not that correct?

Mr. McNARY. Mr. President, I do not desire to refer at this time to the House bill. That measure has passed a coordinate branch of the legislative body, upon which I shall make no comment nor reflection.

Mr. BARKLEY. Is there in the bill that is pending, without the debenture plan, any provision that will be of any benefit to the tobacco growers?

Mr. McNARY. Would it be beneficial to the tobacco grower to get 85 per cent of the market value of his product if he desired to store it before selling?

Mr. BARKLEY. It might be, but unless he has an active, going cooperative-marketing association he can not get that benefit under the terms of the bill.

Mr. McNARY. The Senator is speaking now about the non-organized tobacco growers?

Mr. BARKLEY. Yes; and that includes all the tobacco growers now, because their organizations have gone out of existence.

Mr. McNARY. I imagine that if this bill shall be enacted into law its benefits will be so apparent that there will be a revival of the desire to organize into cooperative associations.

Mr. BARKLEY. That is problematical and speculative, however.

Mr. McNARY. Many things in life are problematical and speculative.

Mr. SIMMONS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from North Carolina?

Mr. McNARY. I yield.

Mr. SIMMONS. I wish to say that I rather think the Senator from Kentucky is incorrect when he says that tobacco producers can get no advantage under the bill unless there shall be cooperative associations. That most of the tobacco cooperatives in the tobacco belt have disappeared is true; but I call his attention to paragraph (d) of section 14, the last section of the bill.

Mr. McNARY. Does the Senator refer to the provision in regard to insurance against price decline?

Mr. SIMMONS. No; to the definition in the act of the words "cooperative association." It provides:

(d) As used in this act, the term "cooperative association" means any association qualified under the act entitled "An act to authorize the association of producers of agricultural products," approved February 18, 1922. Whenever in the judgment of the board the producers of any agricultural commodity are not organized into cooperative associations so extensively as to render such cooperative associations representative of the commodity, then the privileges, assistance, and authority available under this act to cooperative associations shall also be available to other associations and corporations producer owned and producer controlled and organized for and actually engaged in the marketing of the agricultural commodity. No such association or corporation shall be held to be producer owned and producer controlled unless owned and controlled by cooperative associations as above defined and/or by individuals engaged as original producers of the agricultural commodity.

I would construe that to mean that if a cooperative association is not really representative of the commodity, then the board, in its judgment, is authorized to confer upon any corporation engaged in the marketing of that product all the privileges conferred upon cooperative associations by this bill.

Mr. BARKLEY. Provided it is owned and controlled by the producers.

Mr. SIMMONS. Yes. Of course, an association is supposed to be owned and controlled absolutely by the producers; and a corporation authorized under the paragraph referred to must be of similar character.

Mr. BARKLEY. My point is that the collapse—probably that is not the proper word, and I will say the extinction of the cooperative tobacco organizations which sprang up six or seven years ago would make it necessary either to revive them or to organize some other form of association or organization controlled and owned by the producers as would be fairly representative of the commodity in order even to obtain recognition under this bill.

Mr. SIMMONS. That is true.

Mr. McNARY. What the Senator from North Carolina has read is an enlargement of the definition of the Capper-Volstead Act which was enacted by Congress.

Mr. CAPPER. Mr. President—

The PRESIDENT pro tempore. The Chair recognizes the Senator from Kansas.

Mr. SIMMONS. Mr. President, while I am on my feet, if the Senator from Kansas will pardon me, I should like to ask the chairman of the committee one or two questions about which the tobacco farmers, especially in my State, are very much concerned. I assume—and I will ask the chairman of the committee if I am correct in that assumption—that the bill provides adequately for funds for the construction of warehouses both for perishable and exportable nonperishable products. Am I correct about that?

Mr. McNARY. I think so.

Mr. SIMMONS. But it provides specifically only for the loaning of funds for that purpose to cooperative associations, does it not?

Mr. McNARY. Or the stabilization corporations either.

Mr. SIMMONS. Or the stabilization corporations. Now I want to ask the Senator this question:

I believe North Carolina now raises more tobacco, probably, than any other State in the Union. By reason of the fact that the cooperative association in that State made such a dismal failure, and entirely forfeited the confidence of the tobacco farmers, it may be that we will not be able to rehabilitate it, or to substitute for it another cooperative tobacco association; and we may have to resort to the provision I have just read, providing for other corporations to take the place of the cooperative associations in those sections. If one of these other corporations has to be set up as a matter of necessity, and is set up, will that corporation be entitled, in the opinion of the Senator, to call upon the proper source for funds with which to construct necessary warehouses, just as an association could do?

Mr. McNARY. It is the judgment of the chairman of the committee that if the various growers can not be classified as cooperative associations, and if that group, while unorganized, is truly representative of the commodity, it would have the right to apply to the board for the use of money in connection with the construction of physical facilities for processing and handling the product.

Mr. SIMMONS. Then, the Senator thinks that this independent corporation substituted for cooperative associations could get money for the purpose of establishing warehouses?

Mr. McNARY. I answered in the affirmative—yes; in my judgment.

Mr. SIMMONS. Now, I want to pursue that for just a minute.

Mr. McNARY. The Senator speaks of cooperative associations and stabilization corporations. The purpose and design of the bill is to encourage cooperative marketing, of course.

Mr. SIMMONS. I understand.

Mr. McNARY. Then the bill, when it came to the definition of a cooperative association, referred to the Capper-Volstead Act, with which the Senator is thoroughly conversant.

Mr. SIMMONS. Yes.

Mr. McNARY. Later, groups appealed to the committee that were not organized under the Capper-Volstead Act or under any of the State laws appertaining to cooperative organizations; so the committee thought that the definition of cooperative organizations ought to be enlarged to include those unorganized units of producers that are really representative of the group that is producing a given commodity.

If the Senator will keep in mind the enlargement of the definition, it is my judgment that in the case cited by him, if that group, though not organized, is truly representative of the tobacco-growers of his district, it would have the right to come to the Federal farm board for funds to lease or to rent or acquire warehouses, storehouses, and what not for the purposes of processing, preparing, handling, or storing their particular commodity.

Mr. SIMMONS. Yes; I think I understand the Senator about that, but the other question I wished to ask him was this: I think tobacco is in a category all by itself.

Mr. McNARY. Probably it is.

Mr. SIMMONS. The form in which the farmer sells his tobacco is just as it came off his farm, hurriedly cured in a small barn. In that form, the tobacco is exceedingly perishable. It will not live more than a short time unless something else is done to it; but that is the form in which the farmer delivers his tobacco to the association. That is the form in which, where there is no association, he sells his tobacco. The purchaser of that tobacco is under the necessity of immediately putting that tobacco in a factory called a redrying plant, and having it redried to preserve it. It is not ready for permanent storage. We are talking now about the storage of tobacco, and that must be held for some time. It is not in condition for permanent storage until it has gone through that process of redrying.

That is an expensive plant, altogether independent of the warehouse. The associations have all their tobacco redried. The independent buyers of tobacco on the warehouse floors have it all redried in these factories. Now, if this surplus tobacco goes into the hands of these associations, or this independent corporation that can be set up to take their place in case there are no associations, would the provisions of this bill be broad enough to authorize the board to loan funds to the associations to set up a redrying plant, which is absolutely necessary to put that tobacco in such condition that it may be held for market abroad?

Mr. McNARY. I answered that question affirmatively a moment ago.

Mr. SIMMONS. I am not talking about a warehouse now, but I am talking about a redrying plant, which has to be resorted to before that product can go into the warehouse for permanent storage.

Mr. McNARY. Is not redrying comprehended under the word "processing"? Is it not processing? It is my understanding everything that takes place before the raw material reaches the final state of manufacture is called "processing."

Mr. SIMMONS. Yes.

Mr. McNARY. If it is processing or redrying or storing, it all comes under the subject of physical facilities for which loans are to be made by the Federal farm board.

Mr. SIMMONS. Therefore the Senator answers me in the affirmative, that funds are provided for the establishment of these redrying plants?

Mr. McNARY. Why, certainly.

Mr. SIMMONS. That is what I desired to know, because my constituents are writing me about that. They are alarmed;

and I wanted to get this statement from the chairman of the committee so that I may answer them authoritatively upon this question, which is very important to them.

Mr. McNARY. Just in one sentence, inasmuch as we enlarge the definition of cooperative associations defined in the Capper-Volstead Act to include representative groups that have not been organized under State law or under the Capper-Volstead Act, and inasmuch as redrying, in my judgment, is a part of processing, it is the judgment of the chairman of the committee that the board would have ample authority to loan money to those representative groups for that particular purpose, for the construction or purchase of plants.

Mr. SIMMONS. I am glad to have the chairman's opinion.

Mr. GOFF. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Kansas yield to the Senator from West Virginia?

Mr. CAPPER. I yield.

Mr. GOFF. I simply wanted to ask the chairman of the committee a question.

Mr. McNARY. I do not want to delay the Senator from Kansas, but I shall be glad to answer it, with his permission.

Mr. GOFF. I should like to ask the Senator from Oregon if it is still his intention to press the amendment which he offered under date of May 1, 1929, to add on page 25, line 4, of the bill, "the words 'agricultural commodity' mean an agricultural commodity which is not a fruit or a vegetable"?

Mr. McNARY. Mr. President, I am going to press this bill. I am more interested in that than I am in the amendment. I proposed this amendment at the suggestion of the Senator from New York [Mr. COPELAND] with regard to perishables. It now bears his name and was prepared for him. How I shall vote on it I have not determined.

I stated a little while ago that in my judgment many of those who are producing vegetables are uncertain as to the terms and entertain a misunderstanding of the operation of the bill. They are not familiar with nor do they appreciate the benefits that could be derived from coming within the provisions of the bill. But, Mr. President, I may say to the Senator from West Virginia that the motion now before the Senate is the motion to strike out entered a few days ago by the Senator from Indiana [Mr. WATSON], and that appertains to the debenture plan found in section 10 (a) of the bill. Following that, it is my understanding that the Senator from New York [Mr. COPELAND] will press his amendment to strike out fruits and vegetables, and that the Senator from Washington [Mr. JONES] will offer as a substitute for that amendment one to confine it to apples and to pears. When it shall be pressed and how it shall be pressed are matters about which I am unable to speak.

Mr. GOFF. As I understand the answer of the chairman of the committee, the distinguished Senator from Oregon, it is that his amendment, introduced under date of May 1, was introduced for the Senator from New York?

Mr. McNARY. It was introduced for the Senator from New York.

Mr. GOFF. The amendment which I now hold in my hand, and to which I have referred, bears the name of the chairman of the committee, and not the name of the Senator from New York.

Mr. McNARY. Mr. President, that is not important; but let us have the RECORD correct. The Senator from New York asked me to fix the amendment, and I suggested one that had been in the bill of last year that was vetoed. When the matter was presented it bore my name instead of that of the Senator from New York—a fact which is quite unimportant. Yesterday attention was called to it, and the Senator from New York reoffered the amendment bearing his name.

Mr. GOFF. Mr. President, I thank the chairman of the committee for clarifying the situation as he has. There is one more question that I desire to ask him, and that is all.

If the amendment proposed by the Senator from New York should be adopted, is it the Senator's understanding that it will then leave to the producers of fruits or vegetables the option to take advantage of the stabilization clauses of the bill?

Mr. McNARY. Mr. President, that is not my idea at all. I think they are entirely without the provisions of the bill, and could only come in by a separate expression of Congress admitting them.

Mr. GOFF. That is all I desire to ask.

Mr. CAPPER. Mr. President, I rise to make a few observations on Senate bill No. 1, which has my hearty support, as introduced by the chairman of the Committee on Agriculture and Forestry, a committee of which I have been a member for something like 10 years.

In a word let me first commend the extraordinary services of the chairman of the committee, who is responsible for the bill now pending. He has had a difficult task, covering a period of

many years, in evolving a farm relief program. I know I speak the sentiments of every member of the committee when I say that his devotion to a difficult task, the efficient manner in which he has handled it, and his fairness at all times, are appreciated by every member of the committee. In presenting this bill I think he has rendered a great service, not only to the members of the committee but to agriculture.

Mr. President, any farm legislation enacted at this special session, or at any future session of Congress, should be based on modern rural conditions. And it must conform to sound economic principles if it is to be of service to the great industry it is supposed to benefit. Those two axioms are essential in any study one makes of the farm problem, if it is to result in any practical benefit to the rural people of America.

Fortunately we have a leader in President Hoover who has demonstrated for many years that he has an extraordinary capacity in solving big problems. I have every confidence in his capacity and in his desire to place agriculture on a par with the rest of American industry. The principles he has outlined for solving the farm problem are sound, and in my judgment they will work. I think we should give his plan the votes it will take to make it a part of the law of the land. Of course, it is likely that any plan we adopt will not be perfect, but it will be a start, and if we use sound reasoning it should work fairly well. At future sessions of Congress it can be amended as seems wise, after it has been measured in the light of experience.

Let me say, too, Mr. President, that it does not seem to me that this plan should include the provision for export debentures. I doubt if this theory would be wise or effective as a long-time measure. I doubt the wisdom of paying even an indirect subsidy from the United States Treasury for the production of food to be dumped into an already overcrowded world market. And it would presently run into huge costs. If you put this subsidy into effect we will increase our production of wheat in Kansas, through our use of big power on our level fields, in a way that will give the Treasury plenty of work to do.

Instead of working out a method such as this, which will result in production that is not needed, at a huge cost to the American Nation, why not try to reach the quality market which is right at our doors in a more efficient way than we have been doing? It is my belief that ever since 1920, during this depression from which agriculture has suffered so severely, we could have obtained many millions of dollars of additional income for agriculture if we had used an organization capable of adequately reaching consumers in the most efficient way with just the products they desired. That is exactly the purpose of the plan which many Members of this body have in mind now. The farm board which this bill will form should have been established years ago. The help it will be able to give to farmer owned and operated stabilization corporations will enable them to do a far more efficient job of merchandising than producers have ever done before. That idea is sound; it conforms to already demonstrated economic principles, and it will work.

We should try to apply all the valuable experience we can find to a consideration of the problems with which our agriculture is faced. I think there is a real lesson for us in what the Canadian wheat farmers have been able to do with their wheat pool, and the extraordinary success of that organization is one of the items which lead me to forecast a greatly increased acreage for that country. The Canadian wheat pool has applied sound merchandising principles in the sale of that crop. It has made a successful effort to cut the spread between the producers and the consumers. There has not been a lot of high-hat theory in its operation; it has considered its problems of production and marketing in the same clear, sound way characteristic of the leaders of the industrial life of the United States, and it has gotten profitable results.

Mr. President, with that example in view, it seems logical that the place to start in working out a modern system for agricultural operation in the United States is with our merchandising methods. Let us try to get this food to the consumers with a lower spread; let us make an effort right now to apply the principles of sound merchandising which have been so outstandingly successful with the Canadian wheat pool and through almost all the various lines of American industrial life. And that, as I understand the matter, is what the Republican Party is pledged to do.

Mr. President, differences of point of view as to a practical solution of the agricultural problem came to a head in the last presidential campaign. Mr. Hoover's opposition to certain types of farm legislation was well known. The point of view of his supporters prevailed in writing the platform. In his speech of acceptance, and more fully in his campaign addresses, he further clarified his position and outlined, on the basis of the party platform, the kind of farm legislation he would recommend if elected. The issue was clearly drawn and thoroughly debated

in the campaign. The party and the candidate were indorsed by an overwhelming majority.

Regardless of past differences of personal opinions, we are, after all, servants of the people who sent us here with the mandate to enact into legislation the promises of the campaign. This, I believe, we can do by adopting the bill before us.

PRINCIPAL AIMS

As I view it, the principal objectives of the plan in the Senate bill are: (1) To handle recurring surpluses of farm products in order to stabilize prices and to secure by orderly marketing the maximum returns for the crop as a whole; (2) to reduce the cost of marketing and to prevent speculation and waste in handling farm products and thereby to enable the producer to get a greater share of the consumer's dollar; and (3) to encourage farmers to organize effective cooperative associations or corporations under their own control in order to stabilize agricultural prices and to secure for themselves that bargaining power in the markets which farmers can never hope to attain individually. Collective action on a large scale is necessary if farmers are to have an effective voice in determining the prices of their products. Under this plan they would be able to get more nearly what the product is worth, including returns according to the quality of the product.

Mr. President, the question of surplus is at the heart of the farm problem, which, in fact, is not a single problem but a great many problems. This bill attacks the surplus problem from two angles: (1) It provides a method for handling farm surpluses as they occur; and (2) by adjusting production to market demands it would help to prevent burdensome surpluses. Through both means it should be possible to increase materially the farmer's returns and to build up a farmer-owned system of marketing through cooperative associations and stabilization corporations under the immediate control of a leadership developed from the ranks of producers and working in their interest.

INDIVIDUAL COOPERATIVES MUST COOPERATE

We already have in several of our major farm commodities a substantial structure of cooperative associations operating on a local, State, and in some cases regional basis. Under this bill it is necessary, for instance, in the case of wheat, to enlist the active participation of the farmers' elevators, the wheat pools, and other agencies controlled by producers. All of these could continue to perform those functions which they have performed so admirably for many years, and at the same time stand united in a larger organization under their own control. The cooperatives must learn to cooperate in order to attain that volume of business and that unity of effort in marketing which they must have to reduce costs in marketing, eliminate speculation and gambling in farm products, and secure the necessary bargaining power. It should be possible to secure this unity of effort through the stabilization corporation, acting year by year as a central merchandising agent for the member cooperative associations. In the case of a commodity not adequately represented by cooperative associations the board has the authority to extend the privileges of this act to other organizations controlled by the producers of the commodity.

TWOFOLD FUNCTIONS OF STABILIZATION CORPORATIONS

The board is authorized in the bill before us to create for each commodity a stabilization corporation with two main functions: (1) To act as a merchandising agent for the cooperative associations owning stock in the corporation; and (2) to handle recurring surpluses of the commodity whether produced by members or by nonmembers. The second function clearly is more experimental than the first, and therefore should be sufficiently separated from the first to prevent any temporary reversal or loss which the corporation might suffer in handling recurring surpluses from impairing the ability of the corporation to act as a merchandising agent for its members.

The board is authorized to make loans from the revolving fund to the corporation to enable it to function as a merchandising agent for its members. The bill also provides that most of the earnings of the corporation in performing this function shall be used to build up a reserve and to repay the loans advanced to it by the board. This should make the corporation less and less dependent on loans from the revolving fund and more and more able to carry on for itself with loans secured from regularly constituted credit agencies, including the intermediate credit banks. In the meantime it will be possible for the corporation to distribute a part of its earnings as patronage dividend. This should serve as an inducement to the farmers to join the cooperative associations.

Thus, in setting up a well-financed central agency to merchandise for the cooperative associations the bill provides opportunity for concentration of effort and greater efficiency in marketing. This should result in greater returns to the farmer for his products, and it should develop among farmers that

spirit of independence which comes from feeling their own strength in marketing. That this growing sense of power through organization has been one of the principal results in Canada was ably presented by the president of the Canadian wheat pool, Mr. MacPhail, who generously consented to appear before our committee to give us the benefit of the very instructive experience of our neighbors to the north.

SURPLUS-CONTROL FUNCTION OF STABILIZATION CORPORATION

The second function of the stabilization corporation—that of handling surpluses of the commodity whether produced by members or nonmembers—probably would be exercised intermittently. In some years it would be neither feasible nor desirable to attempt to take off the market a large portion of the crop, as when there is no exceptional surplus. There are years, however, as in the case with cotton in 1926, when an abnormally large surplus, due to weather conditions beyond the farmer's control, depresses the price to such a low level that the producers are obliged to take much less for the total of a bountiful crop than they would receive for a smaller crop. In a year of an exceptional surplus the farmer is compelled not only to give away the surplus but, in fact, to pay for the privilege of giving it away. Then all the benefit of nature's bounty and more goes to the middlemen and to the consumers.

The stabilization corporation would buy and hold a part of the surplus and market it later when it could do so without loss. Under careful management the corporation could buy and hold the surplus with least risk of loss in years when the need for such surplus control is greatest; that is, in the years when the price would be beaten down to a very low point if there were no such machinery for surplus control and orderly marketing as provided for in this measure.

While in some years, due to unforeseen circumstances, the corporation is likely to incur losses in the exercise of its surplus-control function, in other years it should make substantial profits. Here is an important distinction between the present Senate bill and other similar measures. The bill before us goes further than any other in protecting the cooperative association against risk and undue responsibility in handling surpluses for the benefit of nonmembers as well as members.

COOPERATIVE ASSOCIATIONS PROTECTED

Under an amendment suggested by the president of the farmers' union, Mr. Huff, and adopted by our committee, this bill provides that at least 75 per cent of the profits made in years of successful operations will be paid into "a surplus-control reserve fund." Until a sufficient reserve shall have been built up the board is authorized to allow the corporation to distribute not more than 25 per cent of the profits to the member cooperative associations on a patronage basis. Losses incurred in any year by the corporation can not be assessed against its members. These provisions, Mr. President, should be a distinct inducement to the cooperative associations to buy stock in the corporation and should in turn encourage individual farmers to become members.

The board will be authorized to advance loans from the revolving fund to the corporation to buy and handle these surpluses. The commodity itself and the surplus-control reserve fund would be pledged as security. Should there be a loss in any year it would be paid out of this reserve, and should that fund be inadequate, the remainder of the loss would be covered by the board as a loan from the revolving fund and would be repaid into the revolving fund by the corporation from future profits of its surplus-control operations.

MERCHANDISING RESERVE WOULD NOT BE IMPAIRED

It is also provided that the merchandising reserve fund of the corporation shall not be impaired by any loss that might result from handling an exceptional surplus in any year. The corporation would be free to continue year after year as a central merchandising agent for its members, even if the corporation should suffer a loss in its surplus-control operations. If this unique provision were not included—that is, if loans from the revolving fund for the handling of exceptional surpluses were secured not only by the commodity itself but also by any and all assets and reserves of the corporation—it is readily conceivable, Mr. President, that the loss in any year on account of surplus control might wreck the corporation as a central merchandising agent for its members. Therefore this separation of reserves and the absolute safeguard of the reserve for one function against any loss that might be incurred in the exercise of the other function are more distinctive and more clear-cut safeguards to the cooperative associations and to their central merchandising agencies than anything proposed in any other measure that has come to my attention.

I think the stabilization corporation would be able to curb speculation in farm products and to set up a higher standard of competition. With a strong corporation operating in the in-

terest of the producers, the speculator would not dare to undertake by heavy speculative short selling to depress prices when the farmer is putting his crop on the market.

LIBERAL LOANS TO COOPERATIVE ASSOCIATIONS

Mr. President, one of the handicaps of cooperative marketing associations now is their inability to secure on reasonable terms the necessary loans for plant and equipment for handling and processing their products. This need is provided for in this bill. The board is given ample authority to require a fair amount of security for such loans. It is not intended that money should be advanced indiscriminately for the construction of elevators, warehouses, and so forth, where sufficient facilities already are available. Through opposition to cooperation or for other reasons those who control these facilities sometimes are unwilling to allow cooperative associations to use elevators or warehouses. In such cases these associations could, with loans from the board, build or purchase the necessary facilities, and this would give the cooperative associations bargaining power in their attempt to get the use of existing facilities.

Another handicap to the development of cooperation in recent years has been the inability of the associations to advance to their members a larger share of the market value of the commodity when it is delivered to the associations. Hence, many farmers are unable to market through the associations, because they need a greater part of the market value of the product immediately after harvest. Were the associations able to advance a larger share, many producers who now are compelled to remain outside could become members. Consequently, the board is enabled under this bill to make loans, at its discretion, up to 85 per cent of the value of the commodity, inclusive of loans from other sources. I believe this should be a distinct aid to the extension of cooperative membership.

Substantially the same sort of assistance will come from price insurance which the board is authorized to enter into experimentally in the case of commodities traded in regularly upon the exchanges. This would give the cooperative association a distinct advantage in securing the necessary credit.

REVOLVING FUND SUPPLEMENTS OTHER SOURCES OF CREDIT

Mr. President, it has been charged that this bill is too severe in that it authorizes the board to require cooperative associations to use existing credit facilities as far as practicable before securing loans from the revolving fund. But this criticism, in my opinion, is based on a mistaken fear. It is only reasonable that the board should have this power, because otherwise an association or stabilization corporation might insist on borrowing mainly from the revolving fund, since it certainly would be advantageous to do so, the rate of interest on loans from the revolving fund being only 4 per cent, while the rate on loans from the intermediate credit banks and from other credit agencies is higher. In the majority of cases, the loans from the revolving fund to these corporations or to cooperative associations would be based on a second lien, and since these loans will bear a lower rate of interest than prior loans, it is wholly reasonable that the board should have the power to resist any unfair attempt to shift the demands for loans from the regular credit agencies to the revolving fund.

The system of loans provided for in this bill is, to a large extent, experimental and is intended to meet those needs for which credit is not now available at reasonable rates. The purpose is sufficiently charged with public interest to warrant the use of public credit. At the same time it is not intended to replace those sources where the farmer can now secure credit at reasonable rates.

It is well known that under present conditions the producer suffers loss due to waste and to unfair practices in the marketing of perishable farm products. This bill provides for the organization of clearing-house associations upon the initiative of cooperative associations, the object being to minimize losses in the marketing of perishables and to provide more economical distribution among the various markets.

DUPLICATION OF EFFORT SHOULD BE AVOIDED

It is provided in this bill that the board shall avail itself of existing sources of information and that it shall indicate through the Secretary of Agriculture to the appropriate bureaus or divisions of the department the research that should be done on specific problems to aid in carrying out the provisions of this bill. The object is to avoid the danger of multiplying the number of boards and commissions. We should not set up a duplicating and competing research organization under this board, as we already have an able research organization which, if properly financed, should be able to supply the board with the necessary fundamental research. It is recognized, however, that the board will need certain specialists and employees, and for this and other administrative purposes, an appropriation of \$500,000 is provided.

EXPORT DEBENTURE PLAN OBJECTIONABLE

Mr. President, the only part of the pending bill in which I do not concur is the section on export debentures. It seems to me it contemplates a direct subsidy which could not help but waste public funds, since the cost of the debentures to the Treasury could not be translated in full into increased price to the farmer. Moreover, an increase in price, as a result of an export bounty, would stimulate production, aggravate the surplus problem, result in trade complications with countries that have anti-dumping laws, and undo much of the progress made in the past several years in adjusting production to market requirements. It would also cause higher taxes, to make up for the money which the debentures intercepted before it got to the Treasury.

These and other factors quite likely would set in motion political forces to repeal the whole plan. In the event of a repeal—and I believe that no such plan could last long—the farmer would be left with a stimulated output, a greatly aggravated surplus problem, and a more seriously depressed price. The debenture plan, for which so much is promised by its supporters, would then be the means of destroying much of the progress which farmers have made in adjusting production to market conditions since the fall in price in 1921.

"FLEXIBLE DEBENTURE" UNABLE TO CHECK PRODUCTION

An amendment to this debenture plan has been proposed by the Senator from Nebraska [Mr. NORRIS] to prevent overproduction, but a brief examination of the amendment will suggest that it would be utterly ineffective. The producers would be free to increase the output of a debenturable crop, in the first year of the operation of the debenture plan, by 20 per cent above the average of the preceding five years before the export debenture would be reduced 20 per cent. The wheat growers produced an annual average of 829,000,000 bushels in the past five years. Under the Norris amendment they could increase the output 165,800,000 bushels; that is, from 829,000,000 to nearly 994,000,000 before the export debenture would be reduced from 21 to 16.8 cents. It is hardly reasonable to suppose that the farmers who produced an annual average of 829,000,000 bushels of wheat in the past five years for an average price of about \$1.20 per bushel could be frightened into curtailing production by being threatened with an export bounty of only 16.8 cents over this price instead of a bounty of 21 cents. After the first year, the increased output would become a part of the new 5-year average, and this would make it possible in the second year to increase production still more without a reduction in the debenture rate.

Under this amendment it would be possible to double the exportable surplus before there would be any reduction in the debentures. Our exports of wheat in the past five years averaged 191,000,000 bushels. An increase in production of nearly 166,000,000 bushels, together with the decrease in domestic consumption that would result from any increase in the price to the consumer, would increase the exportable surplus to 357,000,000 bushels. In short, under this amendment, it would be possible to increase the production of wheat to nearly 1,000,000,000 bushels and to double our exportable surplus before there would be any reduction in the debenture rate. This plan, therefore, looks like anything but a check on overproduction.

A FARM BOARD WITH REAL POWERS

At this point, Mr. President, I want to emphasize two considerations I especially have in mind in supporting this legislation.

One is the point already mentioned; the absolute confidence I have, and that the country has, both in the intentions of President Hoover and in his understanding of the needs of agriculture coupled with the ability to select men of similar intentions, and also possessing a real grasp of the many problems involved in the farm problem.

The other point is that in many respects this must be considered as emergency legislation. We not only propose to lay the foundation of a long-time constructive national policy and program for agriculture but also it is proposed that the board we will create is to function immediately in dealing with what still is an emergency so far as agriculture is concerned.

Bearing these points in mind, I call attention to the broad, general powers purposed to be given the Federal farm board. They will have as broad powers as ever has been given any governmental tribunal to deal with the emergency that exists. The personnel of that board, given these great powers for the weal or woe of agriculture, is of greatest importance.

This first board will be named by President Hoover, in whom we have every confidence. I have every confidence myself that he will appoint big men, men in sympathy with agriculture, with understanding of the problems of agriculture, and with the requisite knowledge of agriculture and economics and practical merchandising on a big scale to use these great powers for the welfare of agriculture and of the country.

The confidence that I have in President Hoover and in the kind of a board I am convinced he will name has much to do with my support of the pending measure. That confidence in President Hoover makes it possible for me to give unqualified support to a measure that proposes to grant great powers to the board that will have the future of agriculture for years to come almost entirely within its control.

LONG-TIME PROGRAM SHOULD BE CONSIDERED

Mr. President, I want to emphasize briefly that, while we are about to put on the statute books the most far-reaching agricultural legislation yet enacted, this bill does not include all that should be done by national legislation to strengthen agriculture, as pointed out in our committee report on the bill before us. Several other things are necessary in a long-time agricultural policy. We must recognize that agriculture is not one industry standing by itself but many industries and a mode of living vitally related to our whole national life. The needs of agriculture should be considered in relation to our economic policy in general. For instance, every practical effort should be made to minimize fluctuations in the general price level in order to avoid those catastrophes to agriculture that result from violent ups and downs in prices due to inflation and deflation. Gambling in foodstuffs and control of the grain and livestock exchanges by speculators must be eliminated.

We should also formulate a sound land policy as an essential part of a long-time program for the stabilization of agriculture and for avoiding those losses to individual farmers that result from attempts to cultivate land that should not be in cultivation under existing conditions of supply and demand for farm products.

Improvement in foreign markets for farm products would render further assistance to those parts of agriculture that are on an export basis and which probably will be on an export basis for some time, even if we should avoid enacting such legislation as the debenture plan that would stimulate the exportable surplus.

We should enact appropriate legislation to get for farmers the benefit of high-protein wheat. Industrial utilization of farm products should be promoted in order to expand the domestic market and to afford a more steady demand for the products of the farmer.

Development of inland waterways and adjustment of freight rates are also greatly needed. A system of preferential rates for farm products shipped for export would be a concrete help in solving the problem of the exportable surplus.

We need to extend the market news service and to strengthen price analysis to help the farmer look ahead and plan his production and marketing more in accordance with the demands of the market. This is essential not only to the effective operation of a plan to control the surplus but also to the prevention of overproduction.

Losses due to natural hazards in agriculture could be reduced through a system of crop insurance on a sound actuarial basis.

As a basis for legislation and administration and for individual effort in reducing costs in farming, there is needed a strong foundation in facts. This requires continuation and strengthening of the research work in the Department of Agriculture and in other institutions. The full value of the results of research can not be realized, however, unless there is a determined effort by an intensive program of education to get these facts into the hands of producers individually and collectively.

Mr. President, I am hopeful that if the plan embodied in this bill is enacted into law by this Congress, out of it will grow a contented agriculture, which at last, after all the travail through which the business has gone, will return the maximum rewards as a way of life. A prosperous agriculture can be developed side by side with industrial life in the United States if the producers keep the ideal of the American market in view. American farmers can not compete with peon labor and low-cost lands in other countries. They should not be asked to do so. This country has been developed behind the great wall of a high tariff, and in my judgment, it will stay there for many years to come. This means higher costs for the things farmers must buy. It also means that farmers can not continue to produce on a world price level and buy on an American price level.

Adequate tariff advances on some agricultural products are an essential part of this farm relief plan. I hope they will be made at this session. I believe this Congress is willing to give the farmer plenty of protection against the low-cost food grown elsewhere, and do it, too, without increasing the tariffs on the things he has to buy. Furthermore, I do not believe the Congress will ever vote to pay a subsidy from the United States Treasury in peace times for the production of any commodity that is to be thrown into the markets of the world.

LEGISLATION BEFORE US NOT NEW IN PRINCIPLE

Mr. President, we are about to undertake a vast economic experiment. I call it an experiment because no one can foresee how it will work in all respects.

I fully realize that in dealing with commodities which annually produce a surplus over domestic market requirements—those generally on an export basis—there is a possibility that this experimental measure may not result in giving the producers of these commodities a domestic market price high enough to balance the high domestic market prices he must pay for the commodities and services he must buy. And as I stated before, I regard it as fundamental that ultimately the farmer must be given this American price for his products if agriculture, as we promised, is to be placed on a basis of economic equality with other major industries in this country.

Of one thing I am certain, however, namely, that it is a safe experiment, by which I mean that should it fail in some particulars it would not bring disaster to agriculture or to any branch of it. We have entered upon many other economic experiments and have found it necessary to change the legislation from time to time. Revision of this plan probably will be necessary also, but we must make a beginning, as the President pointed out in his message.

The underlying principle of this bill is not altogether new. We propose to set up a powerful board, but that is not new, for we have created many other boards and commissions for specific purposes. Nor is there a new principle in the proposal to lend a huge sum of money—\$500,000,000—for the specified purposes. We have made and are making large loans for other purposes, as, for instance, under the recent shipping bill. Surely this program to rehabilitate agriculture is charged with such public interest that it is clearly justifiable to use public credit to help carry it out.

NO COMPULSION UNDER THIS BILL

In this measure, Mr. President, we are not setting up a board to exercise any coercive power. On the contrary, this board would extend loans and render certain other services of which farmers, individually and collectively, may avail themselves as they choose. There is here no thought to compel, but merely to make it possible for farmers to help themselves and, we hope, to secure under the various provisions of the bill economic equality for agriculture, and thereby to promote the best interests of the country as a whole. There is, therefore, in this bill no invasion of the fundamental principles of individual freedom and of initiative. It merely seeks to give scope to initiative and to preserve the economic liberty of the individual farmer by enabling him to act effectively with his fellows in the solution of those problems over which he, standing alone, could have no control.

Mr. President, I say again that agriculture needs and is entitled to have sound help in the intelligent merchandising of its products. It is entitled to adequate tariff protection. I believe that under the leadership of President Hoover we can develop a sound plan for farm relief which will establish a milestone of progress for this great industry. This is a time for common sense, for real statesmanship, in the working out of the problems of the food producers of this Nation. And I have a faith in this body which leads me to believe that this is exactly the type of reasoning we shall use.

Mr. NORBECK. Mr. President, I did not desire to interrupt the Senator from Kansas while he was speaking. I agree with much of what he has said. I am glad that he is preaching the gospel of cooperation; that is a very important matter. I certainly agree with him in the suggestion that there should be a sounder land policy; that forests should be grown on many of the lands which now are used for the production of crops. I also agree with his views as to the tariff, and certainly I share his view that the possibilities under the bill are limited to the attitude and ability of the board. I have a fear that we may not always have a board friendly to the farmer. However, probably the most important feature which he mentions is that of reducing the spread between the consumer and the producer. I wish the Senator had gone into that a little farther. No one has made such a study of the farm question as has the Senator from Kansas. I myself am at a loss to know how under this bill, should it be enacted in its present shape, we can reduce that spread or bring about the condition which is so much desired. The farm organizations are probably not in a position to reduce the profits of the miller. I do not know that farm organizations or a stabilization corporation or the board will be able to say to the bakeries they shall charge less for the bread which they sell. Would the Senator from Kansas care to give his views as to that?

Mr. CAPPER. Mr. President, I will say to the Senator from South Dakota that I should want to go into some detail in discussing that question.

Mr. NORBECK. I can perfectly understand that.

Let me ask one further question. The Senator lays considerable emphasis on holding over commodities in high-crop years to low-crop years; in other words, not to dump so much in the year of low price but to carry the product over into the year of high price. I will admit that as to certain commodities that can be done, but our large products in the Northwest are cattle and hogs. How are we going to hold them over? That is another difficult problem, is it not?

Mr. CAPPER. One of the great problems in connection with the marketing of hogs, for instance, is the violent fluctuations month by month. That is a different situation, I think, from that which prevails in the grain market. I think the farm board can be of great assistance in eliminating, to a considerable extent, the violent fluctuations which take place in the cattle and hog market and that the producer will be able to receive most of the benefits to come from such a policy under governmental direction.

Mr. NORBECK. The Senator, of course, agrees that it is impractical to carry over cattle and hogs; they have got to be sold in the year. However, Mr. President, I will not pursue the subject further at this time.

Mr. TYSON. Mr. President, I submit an amendment to the pending bill, which I ask may lie on the table and be printed.

The PRESIDING OFFICER (Mr. GEORGE in the chair). The amendment intended to be proposed by the Senator from Tennessee will be printed and lie on the table.

Mr. HARRIS. Mr. President, I ask unanimous consent to have printed in the Record a telegram from Governor Hardman, of Georgia; a telegram from Andrew M. Soule, president of the Georgia State College of Agriculture; and also telegrams from others in Georgia, in opposition to the so-called McNary amendment excluding fruits and vegetables from the provisions of the bill.

The PRESIDING OFFICER. Without objection, the telegrams will lie on the table and be printed in the Record.

The telegrams are as follows:

ATLANTA, GA., May 4, 1929.

HON. WILLIAM J. HARRIS,

United States Senator:

Believe you will be justified in opposing amendment to farm relief bill by McNARY, affecting certain vegetables. Am informed that this amendment would prove detrimental to the growers of certain of these products in Georgia.

L. G. HARDMAN, Governor.

ATHENS, GA., May 4, 1929.

HON. W. J. HARRIS,

United States Senate:

Essential to Georgia's interests that McNary amendment relative to fruits and vegetables be killed.

ANDREW M. SOULE,

President Georgia State College of Agriculture.

MONTEZUMA, GA., May 4, 1929.

Senator W. J. HARRIS,

United States Senate, Washington, D. C.:

Please oppose McNary amendment to farm relief bill if it excludes peach growers from participating in Federal aid.

E. C. DUKE.

MOULTREE, GA., May 3, 1929.

Senator WILLIAM J. HARRIS,

Washington, D. C.:

Surprised very much see that recent amendment farm relief bill exclude fruits and vegetables. We urge reinstatement. Our members appreciate your effort get these crops reinstated. Full participation provisions of this bill. Regards.

D. K. YOUNG,
President Sugarmelons (Inc.).

WOODBURY, GA., May 3, 1929.

HON. WILLIAM J. HARRIS,

Washington, D. C.:

Don't let anybody deceive you into believing the majority of fruit and vegetable growers do not want or need farm relief. We need it more than some other groups of farm producers. Please defeat the amendment to farm bill which cuts out fruits and vegetables from participation.

PINE MOUNTAIN FRUIT GROWERS.

Senator WILLIAM J. HARRIS,
Washington, D. C.:

The amendment to Senate farm relief bill excluding fruit and vegetable growers from benefits of farm relief is evidently advocated by interests unfriendly to this important group of producers. We want relief and respectfully urge that producers of fruits and vegetables be given all benefits of this special credit relief legislation.

CONSOLIDATED APPLE GROWERS EXCHANGE.

VALDOSTA, GA., May 4, 1929.

Senator W. J. HARRIS:

Producers of fruits and vegetables need farm relief more than some other commodity groups. We are surprised at amendment to farm bill which deprives us of such benefits and urgently request defeat of this amendment or any other which may be offered to prevent our growers from getting fullest benefits of such legislation.

CLAYATTVILLE MELON GROWERS ASSOCIATION,

By L. F. HUNTER.

BARWICK, GA., May 3, 1929.

Senator HARRIS, Washington, D. C.:

Fruit and vegetable growers need and want freedom from bondage to speculative interests which have benefited by helplessness of producers. We want credits and all benefits of farm relief bill and urge you to kill any amendment which shuts us out by excluding fruits and vegetables from such benefits.

BARWICK MELON GROWERS' ASSOCIATION.

CORNELIA, GA., May 3, 1929.

Senator WILLIAM J. HARRIS,
Washington, D. C.:

I am surprised to see in the daily press a statement that an amendment was offered in the Senate to the pending farm relief bill proposing the exclusion of fruit and vegetable growers from the benefits of farm relief, which is so urgently needed by fruit growers, especially in the form of credit, because of the long-time turnover in that branch of agriculture. I can't help but believe that outside interests, especially the so-called middlemen, who have for years kept the producer of fruits and vegetables to a starvation point because of their inability financially to own cooperative storage plants and marketing associations, and the pending farm relief bill is intended to change the unbearable conditions that now exist for fruit, vegetable, and other branches of farming. I particularly request and urge that you use your best efforts to have this amendment killed.

LOUIS B. MAGID, Apple Grower.

NEW ORLEANS, LA., May 3, 1929.

Hon. WILLIAM J. HARRIS,
United States Senate, Washington, D. C.:

Sincerely trust you will oppose Senator McNARY's amendment to farm relief bill striking out fruit and vegetable growers, who represent a vast proportion of our southern farmers and whose welfare contributes very materially to the South's prosperity. They are as much entitled to relief as the growers of grain or any other staple commodity.

F. W. REIMERS,
President Southern Pine Association.

EXECUTIVE SESSION

Mr. McNARY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After 2 hours and 35 minutes spent in executive session the doors were reopened; and (at 5 o'clock p. m.) the Senate adjourned until Monday, May 6, 1929, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 4 (legislative day of April 29), 1929

APPOINTMENTS IN THE REGULAR ARMY

James Bartholomew Gowen to be brigadier general, General Staff Corps (Infantry).

Thomas Edward McMahon to be chaplain with the rank of first lieutenant, Chaplain's Reserve.

Col. Stephen Ogden Fuqua to be Chief of Infantry, with the rank of major general.

Oren Wilcox Rynearson to be second lieutenant, Field Artillery.

Orlo Charles Paciulli to be first lieutenant, Medical Corps.

Gilles Edward Horrocks to be first lieutenant, Medical Corps.

Ralph Mathew Thompson to be first lieutenant, Medical Corps.

Paul Crump Gilliland to be first lieutenant, Medical Corps.

Arve Theodore Thompson to be second lieutenant, Veterinary Corps.

OFFICERS' RESERVE CORPS—GENERAL OFFICERS

Frank Elisha Reed to be brigadier general, reserve, Minnesota National Guard.

Samuel Garrison Barnard to be brigadier general, reserve, New Jersey National Guard.

Paul Bernard Clemens to be brigadier general, reserve, Wisconsin National Guard.

George Herbert Harries to be major general, Auxiliary Reserve.

John Miller Turpin Finney to be brigadier general, Auxiliary Reserve.

William Sydney Thayer to be brigadier general, Auxiliary Reserve.

Edward Vollrath to be brigadier general, Auxiliary Reserve.

Cornelius Vanderbilt to be brigadier general, reserve.

Roy Hoffman to be brigadier general, reserve.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

Myron Weldon Tupper to be captain, Quartermaster Corps.

Benjamin Haw Lowry to be captain, Quartermaster Corps.

Donald Thomas Nelson to be captain, Finance Department.

James Harrison Dickie to be first lieutenant, Finance Department.

William Rebert Gerhardt to be captain, Ordnance Department.

Earl Shuman Gruver to be first lieutenant, Ordnance Department.

Arthur John Wehr to be captain, Signal Corps.

Rex Van Den Corput, jr., to be first lieutenant, Signal Corps.

Frederick William Gerhard, jr., to be first lieutenant, Chemical Warfare Service.

Leif Neprud to be second lieutenant, Coast Artillery Corps.

Basil Duke Edwards to be major, Infantry.

Egmont Francis Koenig to be major, Infantry.

Charles William Moffett to be captain, Judge Advocate General's Department.

Charles Wingate Reed to be first lieutenant, Ordnance Department.

Charles Otto Schudt to be lieutenant colonel, Finance Department.

James Emerson Troupe to be captain, Chemical Warfare Service.

APPOINTMENTS, BY PROMOTION, IN THE REGULAR ARMY

Frank Sayles Bowen to be colonel, Field Artillery.

Fred Charles Doyle to be colonel, Field Artillery.

Lewis Sidney Morey to be colonel, Finance Department.

James Parsons Robinson to be colonel, Field Artillery.

George Thompson Perkins to be colonel, Coast Artillery.

George Blanchard Comly to be colonel, Cavalry.

Augustine McIntyre to be colonel, Field Artillery.

Charles Godfrey Harvey to be colonel, Quartermaster Corps.

Thomas Henry Emerson to be lieutenant colonel, Corps of Engineers.

Robert Spencer Thomas to be lieutenant colonel, Corps of Engineers.

Roger Garfield Powell to be lieutenant colonel, Corps of Engineers.

John Neal Hodges to be lieutenant colonel, Corps of Engineers.

Thomas Marshall Spaulding to be lieutenant colonel, Adjutant General's Department.

Rolland Webster Case to be lieutenant colonel, Ordnance Department.

Norman Foster Ramsey to be lieutenant colonel, Ordnance Department.

Benjamin Henderson Lorne Williams to be lieutenant colonel, Coast Artillery Corps.

Thomas Dewey Osborne to be lieutenant colonel, Field Artillery.

William Henry Dodds, jr., to be lieutenant colonel, Field Artillery.

Robert Collins Eddy to be lieutenant colonel, Coast Artillery Corps.

George Dillman to be lieutenant colonel, Cavalry.

DeWitt Clinton Tucker Grubbs to be lieutenant colonel, Ordnance Department.

James Frederick Walker to be lieutenant colonel, Coast Artillery Corps.

Thomas West Hammond to be lieutenant colonel, Infantry.

Edward Amende Allen to be major, Signal Corps.

Frank Lawrence Whittaker to be major, Cavalry.

Philip Hyde Sherwood to be major, Cavalry.

Edgar Harrison Underwood to be major, Coast Artillery Corps.

Jedediah Huntington Hills to be major, Adjutant General's Department.

Donald Strong Perry to be major, Cavalry.

Edwin Eugene Schwien to be major, Infantry.
 Dan Dunbar Howe to be major, Infantry.
 John Eubank Copeland to be major, Infantry.
 Lloyd Neff Keesling to be major, Air Corps.
 Frederick Reid Lafferty to be major, Cavalry.
 Carl Humphrey Strong to be major, Cavalry.
 Joseph Le Tourneau Lancaster to be major, Infantry.
 David Renwick Kerr to be major, Infantry.
 Lyman Sheridan Frasier to be major, Infantry.
 Arthur Titman Lacey to be major, Cavalry.
 Paul Hills French to be major, Coast Artillery Corps.
 Sidney Sohns Eberle to be major, Infantry.
 Joseph Nicholas Dalton to be major, Adjutant General's Department.
 David Wilson Craig to be major, Field Artillery.
 Edmund Maginness Barnum to be major, Cavalry.
 Wayne Archer to be captain, Infantry.
 Aaron Edward Jones to be captain, Air Corps.
 William Harris Irvine to be captain, Infantry.
 William Harold Roberts to be captain, Infantry.
 Richard Woodhouse Johnson to be captain, Infantry.
 Edwin McCune Byles to be captain, Quartermaster Corps.
 George SESCO Pierce to be captain, Infantry.
 Robin Alexander Day to be captain, Air Corps.
 Walter Emery Smith to be captain, Infantry.
 William Branch Leitch to be captain, Field Artillery.
 Paul Gerhardt Balcar to be captain, Infantry.
 Charles William Moffett to be captain, Infantry.
 John Henry Corridon to be captain, Field Artillery.
 Roy William Grower to be captain, Corps of Engineers.
 Harold Alfred Willis to be captain, Ordnance Department.
 William Ambrose Flanagan to be captain, Infantry.
 Thomas Florence McCarthy to be captain, Infantry.
 Rexford Shores to be captain, Infantry.
 George Samuel Beatty to be captain, Infantry.
 John Moorman Whyne to be captain, Infantry.
 Milo Clair Calhoun to be captain, Field Artillery.
 Kenneth Clarke Bonney to be captain, Coast Artillery Corps.
 William Melton Tow to be captain, Infantry.
 Grover Elmer Hutchinson to be captain, Infantry.
 Rufus Arthur Parsons to be captain, Infantry.
 Miguel Montesinos to be captain, Infantry.
 John Y. York, jr., to be captain, Air Corps.
 Walter Hey Reid to be captain, Air Corps.
 John Bellinger Patrick to be captain, Air Corps.
 Edward Joseph Curren, jr., to be captain, Infantry.
 LeRoy Edmund McGraw to be captain, Infantry.
 Claire Lee Chennault to be captain, Air Corps.
 Byron Adrian Falk to be captain, Signal Corps.
 Raymond Hendley Coombs to be first lieutenant, Field Artillery.
 Wellington Alexander Samouce to be first lieutenant, Field Artillery.
 Francis Elmer Kidwell to be first lieutenant, Signal Corps.
 William Hubbard Barksdale, jr., to be first lieutenant, Field Artillery.
 Eugene Barber Ely to be first lieutenant, Field Artillery.
 Grayson Schmidt to be first lieutenant, Coast Artillery Corps.
 Leslie Earl Simon to be first lieutenant, Coast Artillery Corps.
 Frank Finley Taylor, jr., to be first lieutenant, Quartermaster Corps.
 Charles Trueman Lanham to be first lieutenant, Infantry.
 Richard Warburton Stephens to be first lieutenant, Infantry.
 Robert Clement Lawes to be first lieutenant, Field Artillery.
 Richard Longworth Baughman to be first lieutenant, Infantry.
 Edwin Henry Harrison to be first lieutenant, Infantry.
 Cary Judson King, jr., to be first lieutenant, Signal Corps.
 Lawrence Russell Dewey to be first lieutenant, Cavalry.
 Ralph Irvin Glasgow to be first lieutenant, Coast Artillery Corps.
 William Armstrong Bugher to be first lieutenant, Cavalry.
 Wilbur Kincaid Noel to be first lieutenant, Cavalry.
 Jesse Bernard Wells to be first lieutenant, Cavalry.
 Cecil Ernest Henry to be first lieutenant, Infantry.
 George Anthony Bieher to be first lieutenant, Signal Corps.
 Lloyd Elmo Hunting to be first lieutenant, Air Corps.
 James Thomas Loomer to be first lieutenant, Field Artillery.
 Harold Phineas Gard to be first lieutenant, Coast Artillery Corps.
 William Lloyd Richardson to be first lieutenant, Coast Artillery Corps.
 Andrew Allison Frierson to be first lieutenant, Cavalry.
 Craig Alderman to be first lieutenant, Infantry.
 Ovid Thomason Forman to be first lieutenant, Coast Artillery Corps.
 Leslie Seekall Fletcher to be first lieutenant, Field Artillery.
 Charles Raeburne Landon to be first lieutenant, Infantry.
 George Wesley Palmer to be first lieutenant, Coast Artillery Corps.
 Thomas Edwin Binford to be first lieutenant, Field Artillery.
 Clark Cornelius Witman to be first lieutenant, Coast Artillery Corps.
 Ernest August Merkle to be first lieutenant, Coast Artillery Corps.
 Carl William Albert Raguse to be first lieutenant, Cavalry.
 Leo Douglas Vichules to be first lieutenant, Coast Artillery Corps.
 George Arthur Hadsell to be first lieutenant, Infantry.
 Earl Mattice to be first lieutenant, Infantry.
 Herbert Theodore Benz to be first lieutenant, Coast Artillery Corps.
 Uzal Girard Ent to be first lieutenant, Air Corps.
 Henry Sterling Jernigan to be first lieutenant, Cavalry.
 John Randolph Hall to be major, Medical Corps.
 Louis Anatole La Garde, jr., to be major, Medical Corps.
 Frederick Hessler Sparrenberger to be major, Medical Corps.
 Luke Baker Peck to be major, Medical Corps.
 Ralph Waldo Newton to be major, Medical Corps.
 Royal Kendall Stacey to be major, Medical Corps.
 Benjamin Franklin Fridge, jr., to be major, Medical Corps.
 Lewis Adolphus Lavanture to be major, Medical Corps.
 Adolphus Alfred McDaniel to be major, Medical Corps.
 James Hubert Blackwell to be major, Medical Corps.
 Floyd William Hunter to be major, Medical Corps.
 Daniel Cogdell Hutton to be major, Medical Corps.
 Robert E. Thomas to be major, Medical Corps.
 Leonard Watson Hassett to be major, Medical Corps.
 John Roy Oswalt to be major, Medical Corps.
 Joseph Edward Campbell to be major, Medical Corps.
 Erick Martin Paulus Sward to be major, Medical Corps.
 Paul Newkirk Bowman to be major, Medical Corps.
 Merton Almond Farlow to be major, Medical Corps.
 Herbert Wellington Taylor to be major, Medical Corps.
 Harry Elton Hearn to be major, Medical Corps.
 William Joseph Freetzheim to be major, Medical Corps.
 Thomas Hill Stewart, jr., to be major, Medical Corps.
 Carlton Lakey Vanderbest to be major, Medical Corps.
 Julius Adams Johnson to be major, Medical Corps.
 Dwight Moody Young to be captain, Medical Corps.
 Edwin Christian Sorensen to be captain, Medical Corps.
 Stuart Gross Smith to be captain, Medical Corps.
 George Magnor Krough to be major, Dental Corps.
 Sherman Robert Ingram to be major, Veterinary Corps.
 Richard Ellsworth Humes to be captain, Medical Administrative Corps.
 George Brydges Rodney, Alexander Higbee Davidson, and Christian Albert Bach to be colonels, Cavalry.
 Philip John Radcliffe Kiehl to be lieutenant colonel, Ordnance Department.
 Adelno Gibson to be lieutenant colonel, Chemical Warfare Service.
 John Lee Holcombe to be lieutenant colonel, Coast Artillery Corps.
 Thomas Abner Dobyms, jr., to be major, Cavalry.
 John Thomas Minton to be major, Cavalry.
 Horace Lincoln Whittaker to be major, Quartermaster Corps.
 William Harold Collette to be captain, Infantry.
 Herbert Becker Laux to be captain, Infantry.
 Charles Stevenson Denny to be major, Coast Artillery Corps.
 Thomas Reed Willson to be major, Field Artillery.
 Francis Marion Day to be first lieutenant, Field Artillery.
 William Herbert Schaefer to be first lieutenant, Infantry.
 Clarence William Bennett to be first lieutenant, Cavalry.
 Gordon Byrom Rogers to be first lieutenant, Cavalry.
 Horace Joseph Caterer to be captain, Medical Administrative Corps.
 Calvin Pearl Titus to be lieutenant colonel, Infantry.
 Charles Nash Stevens to be major, Infantry.
 Glen Teter Strock to be captain, Infantry.
 John Frederick Quensen to be captain, Infantry.
 Harvey Irvin Cassidy to be captain, Infantry.
 Arthur Kay Ladd to be captain, Air Corps.
 James Stewart Willis to be first lieutenant, Signal Corps.
 Frank Jay Thompson to be first lieutenant, Cavalry.
 Augustine Davis Dugan to be first lieutenant, Cavalry.
 Clarence Everett Rothgeb to be first lieutenant, Coast Artillery.
 Marcus Butler Stokes, jr., to be first lieutenant, Field Artillery.
 Lester Maris Dyke to be captain, Medical Corps.